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Sales Training Practices in Malaysia: Comparisons of Domestic and Multinational Companies

Mohamad Asri Jantan
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**SALES TRAINING PRACTICES IN MALAYSIA:
COMPARISONS OF DOMESTIC AND MULTINATIONAL COMPANIES**

By

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ABSTRACT

SALES TRAINING PRACTICES IN MALAYSIA: COMPARISONS OF DOMESTIC AND MULTINATIONAL COMPANIES

**Mohamad Asri Jantan
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Director: Dr. Earl D. Honeycutt**

This dissertation expands the domestic sales training research into international settings by examining and comparing sales training practices of domestic and multinational companies (MNCs) in Malaysia. Fourteen hypotheses were proposed and examined: (1) the two groups' comparative sales training practices; (2) the two groups' sales managers' perceptions toward important sales training tasks; (3) the relationships of the different perceptions toward important sales training tasks to sales managers' performance measures; and (4) the effect of two groups' demographic variables on perceived adequacy of the overall sales training programs.

Cross-sectional data were collected via self-administered questionnaires distributed to sales managers, marketing managers, and sales supervisors in the state of Selangor and Federal Territory of Kuala Lumpur, Malaysia. The sampling lists of this study were generated from the Directory of Malaysian International Chamber of Commerce (1999) and Kuala Lumpur Stock Exchange Location of Share Register (1999). Instruments were borrowed from Honeycutt, Ford, Lupton, and Flaherty (1999), Futrell, Berry, and Bowers (1984), and Behrman and Perrault (1982) to test the proposed hypotheses in the study.

The response rates obtained from both MNC and domestic group were 52% and 53%, respectively. The assessment of the non-response bias showed no significant

difference between data generated from early and late response groups. Reliability of the scales was assessed by calculating internal consistency using Cronbach's Alpha. Both confirmatory and exploratory factor analyses were employed to measure scale validity. The proposed hypotheses were analyzed and tested using Chi-square statistics, MANOVA, Ordinary Least Square Regressions (OLS), and One-Way ANOVA techniques.

Seven of the 14 proposed hypotheses received full empirical support. The results of the two groups' sales training practices revealed that MNC group differed significantly from their domestic counterparts in sales training needs determination, objective setting, and program content. The analysis of the two groups' perceptions towards important sales training tasks also revealed that MNC sales managers perceived greater firm commitment in providing adequate sales training budget than domestic sales managers. Domestic sales managers also perceived greater firm commitment in providing adequate supports for such important sales training tasks as planning, evaluating, and directing than their MNC counterparts. Unlike the domestic sales managers, MNC sales managers experienced a significantly stronger positive relationship between perceived adequacy of planning and evaluation of sales training programs and the improvement of their performance (i.e., presentation and communication skills).

The analysis of the two groups demographic variables confirmed that Malaysian firms receiving high sales training budget provision and upper management support, perceived higher adequacy in the overall sales training programs than those receiving low sales training budget provision and upper management support. This analysis also revealed that Malaysian firms who were members of the Consumer Goods industry,

perceived higher adequacy in the overall sales training programs than those belonging to the Industrial Goods industry. Both limitations and practical implications of the study are also discussed. Finally, recommendations for future research are suggested.

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CHAPTER I

INTRODUCTION

The importance of effective sales training as a corporation's strategic weapon is no longer restricted to domestic business environments (Gestetner 1974). The last two decades have seen growing interest among such western conglomerates as Caterpillar, 3M, Xerox, Eastman Chemicals, to invest their sales training dollars across national borders (Cavusgil 1990; Keater 1990). Hill, Still and Boya (1991) and Honeycutt, Ford and Kurtzman (1996) argued that besides world trade liberalization that ignites multinational companies (MNCs) to organize and educate overseas sales teams, the need to train salespeople cross-nationally is necessitated by the differences of cultural interpretations towards the selling profession itself. In addition to these primary reasons, the realization of MNCs to be empathatic towards the diverse needs of international consumers and to assure effective ways to sell their products to them, have increased the demand towards more effective cross-cultural sales training (Darling and Arnold 1988).

Though the task is much more challenging, the advantages of conducting cross-cultural sales training far outweigh its negative consequences (Flynn 1987). Much like domestic sales training, the purpose and objectives of training international sales forces are to:

1. **Impart effective product, selling, and intercultural skills, as well as to increase reps' knowledge about parent companies (Keater 1994);**
2. **Reduce reps' turnover rates and increase [either manufacturer or dealer] reps' motivation levels (Shipley 1984; Ford 1984; Cavusgil 1990);**
3. **Promote healthy communication flows between parent companies and subsidiaries pertaining to issues such as selling and compensation policies (JMD 1995);**

4. Build customers' information and disseminate parent companies' market orientation practices (Chonko, Tanner, and Smith 1991; Erffmeyer, Al-Khatib, Al-Habib, and Hair 1993);
5. Improve sales reps' negotiation skills (Graham, Kim, Lin, and Robinson 1988) and increase reps' abilities to nurture and sustain long-term relationship (Ford 1984);
6. Help evaluate reps' performance measures (quantitative versus qualitative measures [Hills and Allaway 1993]) and analyzing this evaluation feedback to improve the overall elements of cross-cultural training elements (Rallapalli and Rao 1996).

Similar to other international human resource management (IHRM) activities (Porter 1986), the challenge in cross-cultural sales management (such as sales training) lies in the classic and frequently debated issue surrounding MNCs' decision: i.e., the standardization or localization of MNCs sales management/training activities. Though recommendations made to guide international marketers in dealing with this issue are still in the early stages, cross-cultural sales management experts offer at least three distinct approaches when dealing with these cross-cultural sales training issues.

First, Hill (1981) posed several key questions pertaining to the extent to which sales management practices can easily be transferred and commonly understood across different nations. The researcher delineated that MNCs must be willing to perform acid tests, which permit them to gauge crucial sales management processes -- such as job descriptions, training methods and programs, and performance evaluation systems -- that can be transplanted across different cultures.

Second, both Gestetner (1974) and Hill and Still (1990), suggested that MNCs based their subjective judgements on the organization's selling philosophies. Gestetner (1974) asserts that organizational selling philosophies can be described by centrist and neocentrist approaches. The main description of centrist selling is when MNCs allow

little or restricted autonomy to be given to sales reps at the subsidiary levels. Organizations that practiced this form of philosophy belong to the centrally-controlled leadership which allows only limited creative decision making in foreign branches. The neocentrist selling philosophy, on the other hand, allows foreign sales departments to be governed by less or limited head office control. Organizations involved with this type of selling philosophy can tailor their selling activities to local needs and demands, while their head offices maintain the policy of minimal interference.

Hill and Still (1990) commented that decisions to maintain or change MNCs sales management practices can be determined by carefully delineating the status of the markets served by MNCs. The five levels of market status mentioned by Still and Hill (1990) that can affect the choice of an MNCs' sales organization are: developed market, developing market, regional, country, and industry. These five levels of market status, in general, can affect an MNCs' choice of sales force types (independent versus company's own reps); sales reps' administration (single versus multiple market reps); and complexity of reps' structure (by territory, by customer, by product, and by industry; or by product and territory; or by territory, product, and industry). All of these decisions, can help MNCs to maintain organizational focus in light of the standardization versus customization issues of cross-cultural sales force resource deployment --to include sales training practices.

While the first two approaches focus on MNCs' internal affairs (i.e., key organizational practices and selling philosophies), the *third* approach places more emphasis on MNCs' external affairs in dealing with issues of standardization and customization of sales training practices—i.e., host country national culture. When faced

with the issue of cultural barriers, MNCs almost always decide to customize their sales management practices because of the seemingly insurmountable problems. A review of more than 28,000 articles in the field of HRM and organizational behavior by Adler and Batholomew (1992) reported that a country's national culture has a significant impact on ways MNCs managed their employees' work-related activities.

Honeycutt, Ford and Kurtzman (1996) offered valuable guidelines for MNCs when customizing their training policies to reflect cultural differences. These researchers established the premise that MNCs must be more appreciative of host country's local culture and religion when transferring sales training program methods. This premise is true not only when MNCs operate in countries where they might experience wider cultural gaps (such as Japan), but also, in countries where MNCs might encounter a smaller cultural gap (such as Canada). In countries where English is not the first language, Honeycutt, Ford and Kurtzman (1996) advised MNCs to be cautious when translating training manuals. This is due to the fact that words connote different ascription meanings in other cultures. In addition, due to complexities in some languages, no simple translation can effectively be accomplished. Thus, these shortcomings can result in the exclusion or misinterpretation of many important facts or meanings from training manuals blue prints.

Other examples as to why there is a need to customize training practices include: different perceptions by different nationalities toward the objectives setting phase of sales training elements (Erffmeyer et al. 1993); different educational standards in the world that can affect the rigor of training techniques employed (Black and Mendenhall 1990; Kale and Barnes 1992); different levels of a country's infrastructure technology which can

cause interruptions (such as power interruptions) during training sessions (Honeycutt, Ford and Kurtzman 1996); and various do's and don't of the different customs which make western selling presentations inappropriate by some countries' behavioral standards (Hill and Still 1990).

Besides the impact of organizational specifics (such as key sales force activities) and cultural barriers previously mentioned, another key determinant of effective cross-cultural sales training design is a country's macroenvironment status (Hill, Still and Boya 1991). This terminal variable must be analyzed with tight scrutiny by MNCs because it determines the political stability of a country, degree of economic openness towards modernization, education levels and social customs, and legal and ethical environment governing a country's sovereignty. All of these factors, according to Hill, Still and Boya (1991), directly affect a country's market development, communication technology infrastructure, pool of skill labors, and perception towards western products and management practices – all prerequisites for effective international sales management activities. Since this research is concerned with the sales training practices of both domestic and MNCs in Malaysia, the next section provides a brief profile of that country's macroenvironment and marketing practices.

MALAYSIA -A BRIEF COUNTRY PROFILE

Located in the hub of Southeast Asian region, Malaysia has been fortunate, until recently, to experience a steady annual national growth rate between six to eight percent (Mohamad 1997). Much of the economic success is attributed to the openness of the government toward forming joint ventures with both western (e.g., the U.S) and eastern (e.g., Japan) businesses, and the aspirations of the country to be a fully developed nation

by the year 2020 --an aspiration which may be difficult to achieve because of the recent economic slowdown in the region (National Economic Recovery Plan 1998).

Apart from joint ventures, foreign direct investment has played an important role in increasing the nation's per capita income. In the last thirty years, Malaysian per capita income has increased by almost one thousand percent, making her the fifth largest purchasing power of consumer goods in the East Asian region (Mohamad 1997).

The concept of Malaysian privatization, which was launched in 1982, has managed to privatize over 400 government departments, companies and functions (Mohamad 1997). This views the nation as a corporate entity with the government and private sector sharing the responsibilities for the development of the country. The main reason for the initiation of this privatization concept is to develop strong and mature corporate citizens who take full initiative toward the country's economic development.

With the population consisting of 20 million multiracial people (The World Factbook 1993), Malaysia's demand for branded goods heightened with rapid economic growth (Kilburn 1995). The author reported that the Malaysian advertising industry in 1994 spend over RM 1,624 million (US\$ 750 million) in advertising billings, which is a 200 percent increase from the figure spent in 1990. With most advertising market share being monopolized by foreign advertising agencies, local talent is hired for their competitive education qualifications. The influx of foreign firms are not restricted only to the advertising sector; both manufacturing and consumer goods sectors also experienced high growth in factory and technological investment in the last two decades (Parry 1996). Among the top consumer goods companies remaining active in Malaysia over two decades ago are: Hewlett Packard, IBM, 3M, P&G, Motorola, Esso, British

Petroleum, and Pfizer (NTDB 1997). While many consumer good companies originated from the US, the industrial and manufacturing companies are dominated by Japanese and European companies (Malaysian Advertising Section 1995).

The government champions human resource development (HRD) spending in each new Malaysian Plan announcement. In the past, as well as the present, the Malaysian government provides huge budgets to increase sufficient workforce training and tertiary education. Since the inception of a number of national institutes to meet domestic demand for research and development--such as the Malaysian Institute of Management, Malaysian Institute of Personnel Management, National Productivity Center and twelve local universities--these institutes have received the highest academic accreditation and certification from various countries' governments such as USA, European, and Japanese governments, as well as those countries' academic communities.

A more recent project that undertakes to promote fast training and provide education infrastructure to the nation is 'Malaysia Super Corridor (MSC)'. MSC will occupy 293 square miles --an area bigger than Singapore-- equipped with "technology parks, multimedia universities, and intellectual property parks (The Economist 1997 p.67)" supported by giant IT corporations such as Microsoft, IBM, Apple, Oracle, and Motorola. The government projected that in two to four years, Malaysia will have information technology capacity equivalent to Taiwan's Hsichu Science Park, India's silicon plateau in Bangalore, and Singaporeone in Singapore. All of these goals aim to provide Malaysia with the fastest IT technological development and further enhance the nation's education and training facilities – all much needed infrastructure to promote effective cross-national sales training activities (Abdullah 1998; Chew 1998).

Statement of the Problem

On the whole, while both government and corporate citizens in Malaysia recognize the importance of HRD and training activities, the lack of sufficient data has made it difficult for international marketers to accurately examine the training practices, especially sales training, in Malaysia. With the influx of multinational companies in Malaysia, not only are branded foreign goods widely consumed, western management practices are also widely assimilated in the country (Hofstede 1991; Asma 1995). In aspiring to become competitive national corporate citizens, competition and tension from local businesses are equally heightened. When competing with their MNC counterparts, local practitioners reported that domestic companies have come to know, learn, follow, and use many effective western managerial practices, especially training (Zabid 1987; Asma 1992; Asma 1994). Given the competition, both international and domestic marketers must also recognize the need for effective salespeople to become more sensitive and empathetic in selling their goods to the multicultural Malaysian consumers (Chin 1974, Blake, Mouton, and Abu Samah 1983; Nik Yacob 1991; Ahmad 1995; Mohd Salleh 1998).

At this time, there is insufficient information about the current sales training practices in Malaysia; in particular, comparisons between the MNCs and domestic companies. To date, only two empirical research studies have been conducted in the area of comparing the sales training practices of the MNCs and domestic companies (Erffmeyer et al. 1993; Honeycutt, Ford, Lupton and Flaherty 1999). No research has been conducted in this topical area in Malaysia. Therefore, this study attempts to fill this

research gap by comparing the sales training practices of selected MNCs and domestic companies in Malaysia.

PURPOSE OF THE RESEARCH

The major purpose of this dissertation is to extend the understanding of the current sales training practices of MNC and domestic companies, and to provide current profiles on sales training practices of selected companies in Malaysia. To achieve this, six research objectives are identified and attained. The first objective is to introduce a research framework within which pertinent issues concerning sales training practices can be differentiated in both the domestic and multinational companies (MNCs) in Malaysia. Issues related to sales training practices are to be derived from information offered by practitioners/scholars frequently mentioned in sales training literature. The second objective is to report and tabulate the current status (profiles) of sales training practices used by both domestic and MNCs in Malaysia. Based on the aforementioned research framework, the third objective is to examine and empirically test the similarities and differences of current sales training practices for both groups. The fourth objective is to determine the existence of perceptual differences in both domestic and MNCs toward important sales training tasks such as planning and evaluation, organizing, and directing. The fifth objective is to determine whether relationships exist between qualitative variables (e.g., perceived adequacy of sales training planning and evaluation, organization, and directing), and perceived sales manager's performance of the two groups involved in the study. The sixth objective is to determine possible effects of demographic variables (e.g., industry type; availability of budget; and existence of top management supports) on perceived adequacy of the overall sales training program.

The first objective can be summarized as follows:

- 1) To assemble, identify, and gather information from sales training literature, and form a simple research framework in which the sales training practices of the two company groups in Malaysia can be empirically differentiated.

Large numbers of sales training articles introduce and provide many anecdotal examples of the pertinent issues related to cross-cultural sales training. While each of these issues is relevant, interested researchers cannot empirically test them all in this area. Limitations such as unavailability of data, unavailability of scale measurements, and low response rate force researchers to examine only a few issues amenable for empirical testing. The research framework introduced in this study should identify some preliminary cross-cultural sales training issues in Malaysia. As a result, to reap a greater comprehensive framework for empirical testing in this area in Malaysia, future researchers are urged to add more pertinent issues.

Following Honeycutt (1986), the second objective can be summarized as follows:

- 2) To learn and identify how, where, why, and by whom both domestic and MNCs conduct their initial sales training program for the newly hired sales reps.

At present, there is no published data documenting the current state of sales training practices in Malaysia. As a result, this objective is essential: not only can it serve as a landmark study about sales training practices in Malaysia, it can also help future researchers make accurate comparisons when future longitudinal studies are conducted. As a starting point, this objective should also enable interested parties to learn common sales training trends utilized by both domestic and MNCs in Malaysia.

Following Erffmeyer et al. (1993) and Honeycutt et al. (1999), the third objective can be summarized as follows:

3) To critically examine and empirically test the similarities and differences of current sales training practices used by both domestic and MNCs in Malaysia.

At present, only Erffmeyer et al. (1993) and Honeycutt et al. (1999) have empirically tested issues of similarities and differences in sales training practices utilized by both domestic and MNCs. The former critically examined and documented similarities and differences in sales training practices utilized by both domestic and MNCs in Saudi Arabia. The latter critically examined and documented similarities and differences of sales training practices employed by both domestic and MNCs in China and Slovakia. This study aims to extend these research efforts by critically examining and empirically testing the similarities and differences of sales training practices in Malaysia.

The fourth objective can be stated as follows:

4) To examine the perceptual difference in the following variables: perceived adequacy of sales training planning and evaluation, perceived adequacy of sales training organization, and perceived adequacy of sales training directing of both domestic and MNCs in Malaysia.

Dubinsky (1981;1996) asserts that future researchers must be willing to explore more important qualitative variables, to measure the perceptual differences of the varying sales organizations with regard to the planning and implementation phase of their sales training program. According to Dubinsky, this research pattern can help uncover reasons why sales organizations perceive the importance of their sales training differently than others. Also, since the effectiveness of training programs can vary significantly, due to different working environment and corporate culture, understanding sales reps' or sales managers' perceptions about the different training programs effectiveness is strongly warranted (Morgan 1978; Chonko et al 1993). Thus, this dissertation attempts to measure the perceptual differences toward important sales training tasks (i.e., planning and evaluation,

organization, and directing), in two different organization environments in Malaysia (i.e., domestic versus MNCs environment).

The fifth objective can be summarized as follows:

5) To determine whether relationships exist between qualitative independent variables (e.g., perceived adequacy of sales training planning and evaluation, perceived adequacy of sales training organization, perceived adequacy of sales training directing), and qualitative dependent variable (i.e., perceived sales manager's performance) for both domestic and MNCs in Malaysia.

Large numbers of practitioner studies demonstrate a possible association between the following sales organizations' activities: needs assessment, objectives setting, methods and contents, evaluation levels, with the outcome of a sales training program (i.e., success or failure of a training program). Similarly, many empirical studies also have shown evidence that the aforementioned organizations' activities such as: needs assessment activities (Erffmeyer, Russ and Hair 1991); inter-departmental coordination of objectives setting (Honeycutt, Howe and Ingram 1993; Honeycutt, Ford, and Tanner 1994); selecting proper training methods and contents (e.g., Dubinsky and Barry 1982; Hopkins 1978; Coppett and Staples 1980; Honeycutt et al.1987); and adoption of higher level of evaluation techniques (Kirkpatrick 1977b; Attia 1998), can favorably affect sales rep's (Adkin 1979; Dubinsky 1981) and sales manager's (Adams 1965; Anderson, Mehta, and Strong 1997) performance.

While most of this previously mentioned research utilized qualitative variables, none have proposed the possible directions, and determined the strength of relationships between the sales training activities and sales manager's performance. This fifth objective attempts to propose the possible relationships of these sales training tasks (activities) on sales manager's performance. It also attempts to adopt a dependence

method in measuring the possible directions and strength of the proposed relationships -- using data obtained from both domestic and MNCs in Malaysia.

The sixth and the last objective can be summarized as follows:

6) To determine the possible effects of demographic variables (e.g., industry type); availability of budget; and existence of top management support on the perceived adequacy of the overall sales training program.

Few cross-cultural studies have empirically demonstrated the effect of demographic variables (e.g., industry type, organization size, organization type, sales rep type, and degree of market development) on sales management practices (e.g., Hill and Birdeye 1989; Hill and Still 1990; Hill, Still and Boya 1991). Erffmeyer et al. (1993) and Honeycutt et al. (1999) have documented the effects of organizational demographic variables (i.e., domestic versus MNCs) on sales training practices. Attia (1998) in a more specific study, empirically tested the effect of demographic variables on the success of the evaluation phase of a sales training program in Egypt. Like Attia (1998), this dissertation aims to extend a similar empirical test to Malaysian data. Conversely, the effects of the aforementioned demographic variables from sales organizations in Malaysia are differentiated on the basis of the perceived adequacy of the overall sales training program -- instead of the success of a training program's evaluation phase.

SIGNIFICANCE OF THE RESEARCH

This dissertation topic is of significant value to academicians, sales practitioners in Malaysia, international marketers, and interested training communities alike as explained by the following discussion points:

1. The findings of this dissertation can add value to the overall body of marketing knowledge by empirically testing a function of the marketing phenomena, i.e., sales

training practices in a developing country like Malaysia. To enhance understanding of cross-cultural sales management practices, scholars recommend that explorations and empirical examinations of sales management/training issues-- in less developed and emerging markets-- should receive greater attention (e.g., Hill and Still 1990; Honeycutt and Ford 1995).

2. The research framework introduced in this dissertation provides us with a preliminary understanding of various factors affecting the similarities and differences of sales training practices in the Malaysian market environment.
3. This dissertation uses dependence methods (the use of a qualitative dependent variable), along with the simple computation of means differences, as the basis of determining the differences of sales training practices for both domestic and MNCs. The study posits that perceived sales managers' performance is influenced by such qualitative variables as: perceived adequacy of sales training planning and evaluation, perceived adequacy of sales training organization, and perceived adequacy of sales training directing. This study also posits that perceived adequacy of the overall sales training programs of sales organizations in Malaysia can be differentiated by such different demographic variables as: industry type, availability of budget, and existence of top management supports.
4. Local companies can benefit from the findings of this dissertation by assisting them in analyzing their current state of sales training practices, identifying the trends of effective training techniques available, improving upon the missing important ingredients in their sales training practices, and preparing cost-effective budgets for their future sales training investments.

5. The findings of this dissertation can also benefit international marketers (companies) by helping them plan, evaluate, and adjust their sales training policies to local cultural practices in developing countries like Malaysia. The findings are also beneficial to corporations that are interested in conducting marketing and personal selling activities in Malaysia in the near future.
6. Due to the significant existence of Malay ethnic culture in Southeast Asia, findings from this dissertation can also be generalized to other markets such as, Indonesia, Brunei, (where Malays represent the majorities), Singapore, and Philippines (where Malays are large minorities) (Lazzerini, Kopf, Bishop, Miller, and Cady 1979).
7. This empirical study should also provide pertinent information to marketing and management educators in Malaysia, including such groups as: consultant companies, corporate trainers, lecturers in vocational institutions, and university professors. Most importantly, it should benefit the top two governmental ministries namely, Malaysian International Trade Industry (M.I.T.I) and Ministry of Human Resource Development (M.H.R.D) who have continued to encourage and monitor the transfer of knowledge between MNCs and Malaysian nation.

All of the discussions in this section justifies the crucial need for conducting empirical research in the area of sales training practices in Malaysia. Thus, it is suggested that the comparisons of sales training practices between domestic and MNCs, and the possible factors affecting sales training outcomes in Malaysia should be examined.

ORGANIZATION OF THE DISSERTATION

The dissertation is organized into five chapters. Chapter I provides an introduction to the study. Chapter II reviews past literature, in the field of sales training practices, in two parts. The first part of the review incorporates studies on sales training practices in the domestic business environment including pertinent issues such as: needs assessment, objectives setting, methods and content, and training evaluation phases. This is followed by a depiction of domestic sales training practices framework. The second part of the literature highlights a cross-cultural sales training framework and issues, extracted from international sales management, international business, and international human resource studies.

Chapter III details a brief conceptual framework that guides the empirical research. This chapter includes a discussion on construct definitions, construct relationships, and hypotheses to be tested. The chapter also describes the research methodology for the study that includes pre-testing, research design, data collection instrument, sampling, and reliability of variables being measured.

Chapter IV reports results from the data analysis. The first part of the chapter describes the validity and reliability test, as well as tabulates the profile of current sales training practices by industry in Malaysia. The second part of the chapter measures the statistical significance of the differences in sales training practices of the two groups. The third part examines the statistical differences of the two groups' perceptual differences with regard to the important sales training tasks. The fourth part describes the relationships between the qualitative dependent variable (i.e., sales manager's performance) and three qualitative independent variables (i.e., perceived adequacy of

sales training planning and evaluation, perceived adequacy of the sales training organization, and perceived adequacy of sales training directing). Finally, the chapter describes the effect of demographic variables on the perceived adequacy of the overall sales training programs, conducted by the Malaysian sales organizations that were involved in this study .

Chapter V summarizes the study, reviews the findings and conclusions, and discusses the study limitations. This chapter also provides managerial implications and directions for future research. Following Chapter V are the relevant appendices and reference sections.

CHAPTER II

LITERATURE REVIEW

INTRODUCTION

The importance of sales training in achieving organizational objectives cannot be emphasized enough both in domestic (Hopkins 1978; Honeycutt 1986) and international business settings (Gestetner 1974; Erffmeyer, Al-Khatib, Al-Habib, and Hair 1993; Honeycutt, Ford, Lupton, and Flaherty 1999). Huber (1985) reported that 30 billion dollars were spent by U.S. organizations on domestic training annually, which can be translated into 15 billion working hours. The fact that training is vital for internationally involved businesses is equally relevant. A survey conducted by the National Foreign Trade Council and Selection Research International reported that a failed staffing and training decision can cost an MNC between \$200,000 to \$1.2 million, to deal with repatriation, reorientation, retraining, and dismissal compensation issues (Swaak 1995). Thus, most practitioners and scholars urge corporations to give the highest priority to training issues in both their domestic and international business portfolios (Cover and Lefton 1974; Kahn 1997b; Kallet 1981; Gerber 1989; Honeycutt and Ford 1995).

This literature review discusses in detail issues and policies that influence the effectiveness of domestic and international sales training. The first part of the review begins by discussing the four elements of domestic sales training issues, namely: needs assessment, objectives setting, training methods and contents, and the evaluation process. The second part of this review continues the discussion with similar training elements, but it gives more emphasis to the influence of macroenvironment factors (i.e., economic, political, technology, and cultural forces) on the effectiveness of sales training programs.

Part I: SALES TRAINING PRACTICES IN THE DOMESTIC ENVIRONMENT SETTING.

A. NEEDS ASSESSMENT:

Needs Assessment For Salespersons

The importance of needs assessment as a strong building block for the overall success of a sales training programs has been widely discussed by both practitioners and academicians over the past three decades (e.g., Lawrie and Boringer 1971; Kirkpatrick 1977a; Hopkins 1978; Honeycutt, Harris and Castleberry 1987; Erffmeyer, Russ and Hair 1991). Most of these researchers stressed the importance of needs assessment as a diagnostic tool to ensure the smooth running of the overall process of training programs. Neglecting needs assessment will risk unclear objectives of the training programs; ineffective choice of training designs and evaluation methods; and, most importantly, salespersons' performance (Szymanski 1988; Peterson and Sullivan 1996).

Lawrie and Boringer (1971) suggested a potential list of sources from which both trainers and trainees could determine their needs before training programs take place. The sources range from a simple method such as an informal interview with a sample of trainees to a complicated method of "clustering" their responses using a cluster analysis technique to form a checklist of training needs. These varieties of methods could either be administered in-house or by engaging an outside consultant. Either way, the goal of this checklist is to communicate employees' training needs to top management, to identify the employees' current state of knowledge, and to identify the skills the employees need to acquire from the development of training programs.

Kirkpatrick (1977a) mentioned the two primary and most frequently demanded needs by trainees before attending training programs: effective communication and human relations skills (e.g., leadership, motivation, getting along with peers in work place). Secondary needs warranting equal attention are skills such as decision making, quality control, handling grievances, and management by objectives, among others. While assessing these training needs do not assure the smooth running of a particular training program, they certainly do serve as a solid foundation upon which the training programs can be built. Kirkpatrick (1977a) suggested four methods to determine those training needs: performance appraisal, survey of needs, test of supervisors and trainees current knowledge, and use of an advisory committee.

Immel (1990) proposed seven major methods to assess and identify training needs: questionnaires (the most frequently used method), performance appraisal, structured interviews, input from trainees of the previous programs, survey feedback (attitudes, opinions, and perceptions of relevant parties), field trip observation and the team approach (representatives selected from different departments to chair the same training committee).

Hopkins (1978) attributed three variations to explain why both sales training needs and techniques can differ for newly hired sales reps: differences in trainees' knowledge levels about the jobs; differences in levels of aptitude; and differences in their companies' philosophies.

Company operating philosophy plays an integral part in planning, designing, and implementing sales training programs (Marx 1985; Honeycutt 1986). Honeycutt (1986) stated that companies have different ways of determining training needs and planning for

sales training programs. The researcher found that for large companies, field sales managers and training staff were both responsible for determining needs and planning for initial training programs. Unlike their larger counterparts, smaller companies reported that needs determination and planning tasks have become the sole responsibility of top management (Honeycutt 1986; Honeycutt, Ford and Tanner 1994). Thus, needs determination could mean either a quick and shallow judgement act of top management in smaller companies, or a serious diagnostic process, a systematic, and/or long term collaboration efforts performed by training experts, sales managers, sales supervisors, and field sales managers in larger corporations (Zemke 1985; Test 1995b; Ayres 1995; Zemke 1998).

Needs Assessment For Sales Managers

Needs assessment is as important for training sales managers and supervisors, as it is for the newly hired salesperson. Adams (1965) summarized the detailed findings of a comprehensive study that determined training needs for first line sales managers. This landmark study was conducted by Robert F. Vizza, at that time a professor of marketing at St. John's University. The study revealed, of the 3300 firms surveyed, sales managers typically responded that their companies had failed to provide initial training, continuing training programs, support, and/or follow-up programs to nurture (and develop) effective sales managers.

Under the subarea of attitude and opinion of this same survey, 70 percent of the sales managers judged that they were once high performing salespeople. Thus, they felt justified by the promotions awarded to them. However, after the promotions, most of the managers reported they were not equipped with effective skills for managing their own

salespeople. They also reported that they were too accustomed to “getting things done by themselves” to “[get] things done through and with other people” (p. 26). Most of the sales managers suggested they needed management skills to broaden their knowledge such as: as understanding of cost analysis, improving communication skills, learning more about marketing (and less about selling), and having more cross training activities with other functional areas—all of which they reported as being neglected in their training programs.

Bellman (1975), specified seven important sections necessary for undertaking and accomplishing the training needs assessment phase: “establishing the target group, building survey questions, using the wild card method, conducting the survey interview, analyzing survey results, involving line management, and appraising the approach,”(p.25).

Trainers should begin the needs assessment process by establishing target group to be trained; that is, identifying whether trainees are first, middle or top line managers. Establishing these target groups is vital because it will determine the different training programs based upon the different needs represented by each group.

Building the survey questions consists of asking managers to rank their needs based on the importance of their areas of responsibility. Each of the three management levels has different ranks of importance in their areas of responsibility. For instance, first level managers might identify their most important area of responsibility as managing salespersons’ territories; middle level managers might identify their most important area of responsibility as motivating salespersons; and top level managers might identify their most important area of responsibility as evaluating sales reps’ performance or managing

their professional development. Goldstein's (1986) method of task statements in determining training needs appears similar to Bellman's (1975) building survey questions.

Next, the main purpose of using the wild card technique is to prioritize issues that fall under a certain area of responsibility. For instance, if a top manager's area of responsibility is to evaluate performance, trainers need to specify which issues warranting close attention come under performance evaluation, whether to utilize quantitative or qualitative measures of performance; how to observe salesperson's performance; what criteria to look for when measuring and observing performance; and what standards are used to measure against sales reps' performance. Goldstein's (1986) method of 'developing task dimensions' in order to determine training needs is similar to Bellman's (1975) wild card technique.

The last four phases of Bellman's (1975) guidelines of needs assessment (conducting the survey interview, analyzing survey results, involving line management and appraising the approach) act mainly as the support and controlling system to the whole needs assessment process. If the trainers obtain positive feedback from the needs assessment processes, the seven step process can cease and the training program can be developed based upon those needs. On the contrary, if the feedback is unfavorable (e.g., if the identified needs are anticipated as barriers to achieving overall training objectives), all seven processes should continue until they can identify the practical and valid training needs from the different management levels.

Coppett and Staple (1980) surveyed 127 first level managers in sixteen cross-section industries, from airline and computers as the most sophisticated industries to

agricultural equipment and office supplies as the less sophisticated. In general, first level managers in this study reported that their training needs had not been identified because no proper formal methods were employed to assess their needs for training. Coppett and Staples (1980) suggested that training providers must employ the right methods to effectively assess first level sales managers' training needs (e.g., conducting surveys to determine the "frequency of needs" [p.39]). This suggestion was confirmed when a number of empirical studies in the 1990s used formal questionnaires and survey methods to determine the training needs for both sales reps and sales managers (e.g., Erffmeyer 1991; Honeycutt, Ford, and Rao 1995).

For instance, by designing a formal questionnaire, Honeycutt, Ford, and Rao (1995) determined the needs of sales executives by analyzing the "means rating" (p.69) of training needs assessment. In this study, the researchers found that the three most important training needs ranked by sales executives are: 1) surveying customers' needs; 2) observing sales force behaviors; and 3) setting sales training objectives for performance measures. The other findings of needs assessment in this study are further discussed in the training methods and contents subsections that appear in the latter part of this literature review.

Erffmeyer, Russ and Hair (1991) empirically tested the extent to which need assessment was used to plan and evaluate sales training programs. The researchers' findings reported that, to some degree, needs assessment was practiced by all companies involved in the survey. In general, 62 percent of the sales managers in this survey reported that they most often relied on informal judgement techniques. Only 33 percent reported they used systematic approaches such as using performance measures, interviews

and other general techniques. Erffmeyer et al. (1991) concluded that systematic approaches are “more efficient and effective means of determining training needs” (p.26). This finding appears consistent with Coppett and Staples’s (1980) previously stated suggestion, stressing the importance of the use of proper and formal methods in determining valid training needs. Erffmeyer et al. (1991) also stated that while informal judgement techniques require less investment, it is important that business organizations realize the high degree of subjectivity embedded in this technique. Thus, utilizing this technique may fail to bridge the gap between ‘what the trainees felt important’ and ‘what the management perceived as important’ in designing and implementing training programs.

In a nutshell, the previous studies highlight the importance of needs assessment prior to the design and implementation phase of training programs. While it plays an important role in developing effective training programs, business organizations still do not realize and often neglect its importance. Needs assessment is a vital ingredient in the overall training program; it should occur during the planning, designing, implementing and evaluating stages of sales training (Goldstein 1986). In a recent issue of Sales and Marketing Management magazine, Lorge (1998) stated that trainees’ needs assessment (both for the newly hired and supervisor) must be carried out in three phases: before, during and after the training program.

Needs assessment conducted before the training gathers suggestions and ideas while the training program is still in the design phase. Needs assessment during the training program is more subject to location, the actual place where the training program occurs. Performing needs assessment during the training helps trainers control such

external needs as classroom size, ideal number of participants, techniques used, and other disruptions that could happen during the training program (Lorge 1998). All of these factors can affect cognitive control (e.g., attention span and zone of understanding) and must be constantly communicated to sales managers /training providers to avoid additional distractions

Last but not least, the most important of the three needs assessment occurs when the training programs are accomplished. When training programs are over, it is vital to measure whether trainees can apply and practice the knowledge, skills and abilities imparted to them. In other words, it is important to measure whether the needs identified by trainees prior to the training program have been met and instilled in their work-related behavior (Lorge 1998). This last type of needs assessment is very important in measuring trainees' satisfaction toward the overall program design and implementation in gaining effective feedback. Needs assessment conducted after the training program is finished are discussed further under the section of training program evaluations, in the latter part of this literature review.

In summary, needs assessment tremendously helps trainers to link the more general corporate objectives to the more specific trainees' objectives in achieving the overall goals of the organization. Once the training needs have been assessed, the next step is to determine the training objectives. With accurate training needs in mind, sales managers/ trainers/consultants can set cohesive training objectives to achieve the overall bottom line of the organization.

B. SETTING TRAINING OBJECTIVES:

Hopkins (1978) argued that the twofold purpose of setting sales training objectives in business organizations is to ensure the continued existence of qualified talents for the future, and to enable these talents to attain self-fulfillment through work. Warren (1969) commented that paying close attention to setting training objectives can result in an increased work commitment of the trainees, trainers, and the organizations' executives. Warren (1969) discussed briefly four main reasons how the commitment of salespersons can be increased by setting training objectives. According to this author, these four reasons should entail the following missions: to train new and inexperienced salespersons to possess satisfactory skills to carry out the selling task; to train below-average salespersons to meet the performance standard; to educate salespersons with new-product training; and to train and familiarize salespersons to become future sales managers.

Much attention in the 1960s and early 1970s was given to product training by business organizations in setting their sales training objectives. As a result of companies' orientation towards the "product concept," this phenomenon was widely reflected in sales training practices aimed to satisfy customers at the time (Cover and Lefton 1974; Rackham and Wilson 1990).

Miller (1980), summarizing his previous perceived training needs survey, reported that sales executives suggested two essential objectives of a meaningful sales training program. The first objective is to train new sales reps more effectively by imparting product or technical knowledge. With this first objective, new salespersons are also taught to familiarize themselves with the "way things are done" (p. 46) in their specific

field, firm or industry. “Way things done” connotes the specific way, system, custom, and method that had to be employed in training sales reps, due to the unique nature of the selling tasks in their respective industries. For instance, Powell (1973) argued that not every training program needs to set objectives to assure the safety of the salespersons. Achieving safety objectives such as “safe environment, safe equipment, and safe actions” (p. 12) is more suitable for salespersons who work in industries dealing with hazardous materials.

The second essential objective of sales training summarized by Miller (1980) is to reinforce and expand the skills of the sales reps who already possess the desired selling skills. The purpose of this second objective is to update, retain and refresh sales reps’ skills which can fade over their working years. While it is important to add new skills to existing salespersons’ abilities, it is also crucial to examine their past knowledge, skills and abilities acquired from previous training programs.

Hahne (1981) suggested that, in order to create a credible sales training program, management needs to set training objectives that are specific, realistic, and measurable. The following three examples of sales training objectives abide by the criteria of specific, measurable, and realistic training objectives (Hahne 1981, p. 35):

Senior management is primarily interested in a 10 percent increase in product sales Or,
Management wants to reduce salesperson turnover by 10 percent Or,
Management wants the salesperson to increase sales to existing customer by 5 percent

Honeycutt (1986) emphasized another dimension of sales training objectives which he termed as broad sales training objectives. Honeycutt (1986) argued that, unlike

specific objectives which help define and evaluate training programs, broad sales training objectives are rather vague and difficult to attain. Honeycutt (1996) stated that sales training objectives should meet the following four criteria: specific, measurable, realistic and timely.

Specific objectives describe precisely the 'desired behavior' trainees should exhibit/ possess after completion of the training program. Measurable objectives help trainers evaluate the training program's bottom lines such as measuring the effect of sales training towards the overall profitability of the company. Lidstone (1987) complemented Honeycutt (1986) by extending 'measurable' sales training objectives into three main areas: measurable in terms of overall objectives; measurable in terms of the training programs' objectives and methods used; and measurable in terms of fulfilling individuals trainees' objectives. Bechard and Toulouse (1998) asserted that specific objectives of a training program can be measured in three levels: content objectives, skill objectives, and situational objectives. Conversely, both the content and skill objectives measure the validity of the training programs provided by the training providers. Also, the situational objectives measure how much a particular training provider can adapt his/ her training practices to match those same practices offered by competitors.

While sales training objectives need to be specific and measurable, it is equally important that the objectives be realistic and need to be accomplished within a specific time frame. Setting realistic and timely objectives helps ensure that objectives to be based upon: limited companies' resources and salespersons' ability; relevance to the selling tasks; and the right timing of the expected behavior change. In a nutshell, Honeycutt (1986), Lidstone (1987), Honeycutt (1996), and Bechard and Toulouse (1998)

summarized that sales training objectives could serve to: set the working standard for salespersons' performance; help plan and execute the actual training phase; assist the smooth running of the evaluation phase of sales training program, and keep abreast with and be aware of the competitors' state-of- training practices.

Research related to objectives setting for sales training programs is not restricted to the aforementioned conceptual studies. The last sixteen years have seen much empirical research discussing the importance of objectives setting in sales training programs. Dubinsky and Barry (1982) found that 64 percent of their sample companies set objectives for their sales training programs. Five years later, Honeycutt, Harris and Castleberry (1987) reported that 90 percent of their respondents--a 26 percent increase from Dubinsky and Barry's 1980 study--had established training objectives for their sales training programs. The latter attributed the increased percentage from the 1987's study to the difference in samples used. While the former sample in 1982 belonged to large companies, the latter sample in 1987 belonged to a much larger companies with more formalized training programs.

Honeycutt, Harris and Castleberry (1987) also found that, of the 90 percent of companies that established objectives, 81 percent claimed they had established specific objectives for their training program. The top three examples quoted as specific objectives, which the authors considered vague, are: increased sales revenue (28 percent); increased sales revenue and improved customer relations (11 percent); and increased sales revenue and improved use of salesperson time (9 percent).

In Honeycutt, Howe and Ingram's (1993) article, the authors found that the most frequently cited sales training objectives were (ranked in the sequence of importance): to

“increase sales volume,” “decrease turnover,” “improve use of time,” and “improve customer relation” (p.120). Despite the different selling domains of firms involved in the study, the findings showed no significant difference in emphasis on objectives setting among the different industries (i.e., industrial, consumer and service industry). The same study also revealed that 47 percent of the sample’s training objectives are jointly set by top management and sales managers (or training staff.) While this study does not provide additional insight into the ‘rank of importance’ in objectives setting than the study done in 1987, it did show the importance of upper management’s input (in setting training program objectives) to support the overall company objectives. As a result, the authors recommended more inter-departmental coordination of input during the objectives setting phase of sales training. This coordination can lead to a more effective design for training programs. This notion is supported by Honeycutt, Ford and Tanner (1994), who found evidence showing the need for coordination (between top management, sales managers and training staff) in designing training programs.

In summary, the objectives setting phase is a crucial part of designing effective sales training programs. The advantages of establishing objectives include benefits ranging from facilitating a simple communication process between trainees and trainers, to enhancing a more coordinated and complex process such as linking sales training objectives to the overall organizational objectives. Objective setting practices can be divided into setting general or specific objectives. Specific objectives setting has proven to be more efficiently evaluated because they have a higher degree of precision, and are easier to measure against salespersons’ performance (both quantitative or qualitative.)

As previously stated, additional criteria for sales training objectives include such qualities as: measurable, realistic and timely (Honeycutt 1996). It is equally important to determine inter-departmental input when setting sales training objectives to avoid conflicts and redundancies when implementing training programs. The next section which discusses this implementation phase of the training program design, includes: program methods and media, program content, program implementation and the controllable/uncontrollable factors affecting the implementation of the actual training programs.

C. SALES TRAINING PROGRAM DESIGN AND IMPLEMENTATION:

Having discussed the training needs assessment and objectives setting phases, the next essential step in training salespeople is to establish instructional methods and select the appropriate contents of the training programs (Dubinsky, 1980). Attia (1998), Anderson (1993) and Dubinsky (1980) characterized this step as the design and implementation phase of sales training programs. Honeycutt (1986) and Attia (1998), stressed the importance of this phase by discussing the following three fundamental issues:

- **What are the different types of sales training program methods?**
(What are the different techniques available to achieve training objectives? What are the effective length of sales training program? Where or by whom should sales trainees be trained?)
- **What are the different constituents of sales training program contents?**
(What are the different course contents, skills to be acquired, and topics frequently discussed in sales training sessions?)
- **What are the different criteria used in the evaluation phase of sales training?**
(What are the different levels involved, methods, and measures used in the evaluation process of sales training programs?)

Most importantly, this last issue discusses how data acquired from the evaluation phase can be compiled to plan for new programs as well as improve upon existing sales training programs.

The following subsections discuss the three fundamental issues in sales training program design and implementation phase. The discussion begins with describing different types of sales training program methods. Following this, the sales training program content are discussed in the subsequent subsection. As a result of the much different approach to be discussed in the evaluation phase of sales training programs compared to the approach of the previous two subtopics, a separate section discussing the evaluation phase is provided.

C1. Sales Training Program Methods:

Training program methods versus training program content

First, it is important to understand the general meaning of *training program methods* as being distinct from *training program content*, which are discussed in the latter part of this literature review. In sales training literature, *training program methods* and *training program technique* are often used interchangeably (e.g., Hopkins 1978; Dubinsky 1980; Honeycutt, Harris and Castleberry 1987). Warren (1969) stressed that training program methods determine the theme, scope, coverage, length, instructor, location, media, and materials to be used in the training programs. Program method acts as tools, not only to achieve the sales training objectives (as set in the objective setting phase), but also, to determine a more efficient evaluation phase of a training program (Dubinsky 1980).

Training program content, on the other hand, deals with the actual planning of activities involved in the training program. It focuses on assuring the smooth running of the different training modules, continuity of schedules, detailed instructions, topics covered, transition of topics, budgets, and details on how and what specific skills and abilities are imparted to the trainees (Warren 1969; Harris 1972; Shaw 1975; Newstrom 1975; Abella 1986). In short, while *training program methods* can be viewed as the superstructure comprised of the different approaches and media to be used in sales training programs, *training program content* are the detailed activities or blue-print (step-by-step designed) involved in the actual training program.

Lidstone (1987) argued that there are many ways to describe sales training program methods. He asserted that the specific method chosen for a sales training program depends upon the sales reps' work tenure (new or old), relevance of past experiences, knowledge backgrounds, types of company's selling task, and company's strategies. For instance, from the perspective of a company's new product strategy, sales training program method can be characterized as: "Formal presentations of plans by sales and marketing management. The objective is to ensure that the salesforce receives full information on new product, full detail of the launch programme, and is motivated to want to sell the new product." (Lidstone 1987 p. 26)

On the other hand, Feldman and Weitz (1988) characterized sales training methods as tools used to provide sales reps the appropriate platform for career advancement. The authors emphasized the importance of choosing effective training methods to tackle the different types of employees' state of morale. For employees experiencing the state of career plateau (low morale), the authors proposed a training

method which can provide them continuity of skills. These newly acquired skills can help sales reps to diversify/ promote themselves to handle new responsibilities and avoid the work stress from monotonous daily tasks. The authors suggested a training method they termed “attributional training” (p.29), wherein sales reps can identify their own reasons for lack of growth in their selling careers (from personal attributes). Sales managers help reinforce these attributions by influencing and matching the choice of the appropriate training method to suit the reps’ career needs.

This proposed training method is not only effective in providing solutions to sales reps’ grievances, but it is also very dynamic because it provides a participative medium allowing more cognitive feedback from sales reps who have highlighted their training needs and objectives. This notion of aligning training objectives with training program method/content has been supported by many subsequent studies. For instance, Erffmeyer, Russ and Hair (1992) and Honeycutt, Howe and Ingram (1993) found evidence demonstrating the need to tie the design of the sales training programs (methods and content) with sales reps’ training needs and objectives.

Lidstone’s (1987) and Feldman and Weitz’ (1988) characterizations of sales training program methods lead to two main implications. First, training providers need to be aware that the decision to select an appropriate training method is based upon the overall marketing department’s goals, company’s product strategy, and the sales reps’ training needs and objectives. Second, the decision to select training program methods can affect other sales management issues such as reps’ compensation, reward, motivation, selection process, and career development. Erffmeyer, Russ and Hair (1992) described this second implication of characterizing training methods as less visible factors affecting

the choice of training methods. More visible affecting factors include time and financial resources. These two implications are only a few of the many legitimate reasons supporting more joint inputs from sales managers, sales trainers (e.g., Honeycutt, Ford and Tanner [1994]), and sales reps in designing sales training program method as well as content.

Participative and Non-participative Sales Training Methods

Proctor and Thorton (1961), Still and Cundiff (1969), and Stanton and Buskirk (1974) in essence asserted that, in selecting sales training instructional methods, training providers must provide close attention to the mix of participative and non-participative methods. Non-participative methods often do not treat feedback from trainees as a crucial element or as necessary in designing effective training programs (Nadler, 1971; Dyer 1972). On the contrary, Vizza (1967) and Harris (1972) identify certain benefits from participative methods which allow trainees to participate in training programs:

- expose trainees to a variety of interactive presentation methods in different selling situations
- help them recognize and realize the fullest potential of their selling styles
- stimulate their thinking process and help them generate constructive thoughts for feedback in evaluating the training programs
- help bridge the gap between their training needs and management's needs
- improve their selling skills and abilities by practicing and expressing themselves in the presentations and demonstrations sessions offered in the programs
- encourage them to write their own effective sales presentation that suits their personality strengths rather than depend upon training manuals (L'Herisson 1981)
- assist in holding their attention, understanding the materials in-depth, and feeling a sense of accomplishment from the training programs

Abella (1986) added that the benefits of selecting participative training methods cannot materialize unless they are designed in fast-pace with few social leisures and taught by instructors either currently working in the field or with working experiences in the field. The other crucial impediment of participative methods mentioned by Abella (1986) is the need to assure the participants' state-of-psychological needs. Training providers need to constantly check on participants' attention spans; allow more opportunities for active participation; and test the degree of difficulty of the methods used to avoid frustrations in the learning process. Unless these psychological needs are met, the feeling of high accomplishment and morale, and strong commitment level among the trainees will not be met (Adams, 1965; Abella, 1986). Thus, training providers have to be sensitive to and aware of both the advantages and disadvantages of participative methods of sales training. Training providers are advised to strike a balance between fulfilling trainees' psychological needs and realizing the benefits of the participative methods as a whole.

Besides trainees' psychological needs, Newstrom (1975) listed other overriding factors which can affect the decision in selecting training methods (participative/non-participative): cost, training objectives, time, class size, and learning principles (COTSL). He advised training providers to view the above listed factors (COSTL) as independent variables to help determine the type(s) of training method(s) as the dependent variables. In other words, it is easier for training providers to realize their choices for training methods are highly dependent on the COTSL factors of their companies. The main benefit of using Newstorm's (1975) approach is that training providers can be aware of the disadvantages in limiting themselves to only one best

method that they hope will suit all training situations. The synergy in utilizing participative and non-participative methods at different times or the same time is also reported to be economic, systematic, proactive, and upholding the overall learning objectives (Newstrom 1975; Shaw 1981).

High-Tech Sales Training Methods

Although both computer-based and interactive video training have evolved since the late 1950s and late 1970s respectively (Fauley 1980; Cataldo and Cooper 1990), empirical studies related to high-tech sales training methods did not become central issues until the last two decades. Though still in the infancy stage, sales training providers in both the 1980s and 1990s have been concerned over such issues as perceived importance of usage and effectiveness of high technology over traditional training methods (Russ, Hair, Erffmeyer and Easterling 1989; Erffmeyer, Russ and Hair 1992). In general, much of the discussion under this topic concentrates on two main issues: the benefits of using technology-based tools over traditional based-tools, and the significant contribution of each method towards achieving the success of the overall sales training programs. In the sales training literature, while the former can be reviewed from more conceptual and anecdotal studies, the latter can be reviewed from studies that are more empirical in nature (e.g., Russ, Hair; Erffmeyer and Easterling 1989; Erffmeyer, Russ and Hair 1992; and El-Ansary 1993).

Although a large number of conceptual studies suggested the importance of adopting high-tech methods, none of the authors have specified the general definition or the simple meaning to attach to this type of training method (Collins 1986). Thus, the review in this section aims to list some of the high-tech methods used in training

salespeople and their potential benefits, instead of defining the scope of high-tech methods. Erffmeyer, Russ, Hair (1992) and Russ, Hair, Erffmeyer and Easterling (1989), grouped high-tech sales training techniques into four general basic types: computer-assisted instruction; computer-managed instruction; teletraining; and interactive video (for brief detail refer table 1).

Table 1: Brief descriptions of some commonly used high-tech methods.

<u>HIGH -TECH SALES TRAINING METHODS</u>
<u>Computer-Assisted Training</u> – Trainee and microcomputer interact on a one-to-one basis. Programs can be organized in several different formats, such as drill and practices, tutorial, business simulation games or modelling.
<u>Computer-Managed Instruction</u> - A computerized system used to test the trainees understanding of course materials. Based on this assessment of unmastered objectives, an outline of further training is prescribed.
<u>Teletraining</u> - Electronics meetings that enable participants at one site to interact with participants or instructors at a different location.
<u>Interactive Video</u> - Presentation of video segments followed by computer generated multiple choice questioning. Responses allow for “branching” of video presentation and computer questioning in variety of situations.
<i>--Source: Erffmeyer, Russ, and Hair (1992 p. 127).</i>

Other high-tech training methods mentioned in the sales training literature are laser videodisc, artificial intelligence (Churchill, Ford and Walker 1985) and expert systems (Rubash, Sullivans and Herzog 1987; Steinberg and Plank 1987). To exemplify the most recent state of high technology in training salespeople, Kahn (1997b) mentioned the importance of using the latest sophisticated methods (CD-Roms, Internet and Intranet-based sales training), while Zemke and Armstrong (1996) provide successful examples for utilizing multimedia training.

Most conceptual studies discuss the relative importance of using high-tech over the traditional methods; they strongly recommend that adopting high-tech methods must be tied to assessing training needs, setting training objectives, and developing training contents (e.g., Woods 1982; Collins 1986; Rubash, Sullivans and Herzog 1987; Steinberg and Plank 1987; Kahn 1997b). Russ, Hair, Erffmeyer and Easterling (1989) stated the following benefits for using high-tech training methods: “time saving, reduction in selling expenses, increased sales, development of better problem solving skills, and enhance sales force training.” (p.46)

Martin and Collins (1991) documented that the use of interactive video (IV) technology and high-tech training method, has reportedly reduced training costs, increased training program quality, and decreased the actual time needed for training (time saving). In the same study, the authors claimed that the use of the IV method by BellSouth Service increased trainees’ retention and mastery levels, and provided instructional consistency. Providing consistency in the instructional methods is among the top three pertinent features of high-tech training methods as reported by Zemke and Armstrong (1996). “Content proprietary” and “administrative handiness” are the other two features of high-tech training methods the authors reported (p. 52).

Consistency in methods guides the programs from deviating from the training objectives, ensuring the soundness of instructional design, determining the level of interactivity and emotional engagements, and careful selections of media mix. On the other hand, content proprietary determines the depth of the training program content, the degree of knowledge in which training providers aim for trainees to master, and mechanics or what Zemke and Armstrong (1996) called the “how-tos” (p. 52) to

implement the actual training sessions. For instance, Honeycutt, McCarty, and Howe (1993) reported that, in designing the proprietary training content of high-tech method (such as video enhanced sales training programs [VET]), Motorola has incorporated four traditional training areas: product, company information, market and selling techniques. These inputs were synthesized into training modules that were later produced in the form of videos presentations using professional actors and professional film studios.

Most of the studies discussed in this subsection also reported shortcomings of selecting high-tech sales training methods. Nine of the twelve articles reviewed consistently cautioned readers about the top two flaws in adopting high-tech training methods: cost plus time involved in developing high-tech modules, and trainees' resistance to change (Steinberg and Plank 1987; Rubash, Sullivan and Herzog 1987; Erffmeyer, Russ and Hair 1992; Russ, Hair, Erffmeyer and Easterling 1989; Martin and Collins 1991; Erffmeyer, Russ and Hair 1992; Honeycutt, McCarty, and Howe 1993; Zemke and Armstrong 1996; and Kahn 1997b).

As far as cost and time are concerned, most authors in the reviewed articles mentioned three related issues that warrant close attention when adopting high-tech methods. First, training providers are advised to align the selected methods with their companies' overall training budget (up-front and continuing costs of the selected methods). Second, training providers must ensure that the selected methods fit the industries in which the companies exist. Selecting highly advanced methods for industries subject to less competitive forces may defeat the objective of adopting high-tech methods. On the other hand, not wanting to invest in high-tech methods can be terminal, especially for companies that tend to experience high rates of product

obsolescence. Dubinsky (1996) found a significant positive relationship between effective sales training programs, which include the usage of high-tech methods and speed of the rate of product obsolescence. Third, training providers need to realize that, not only are frequent changes in training contents needed every time the latest feature of new technology is introduced, but also the time to respond to those changes is obviously limited. Honeycutt, McCarty, and Howe (1993) reported that in order to avoid delays affecting the annual plan, Motorola began the production of video training modules at the beginning of the year. Thus, while advancing high-tech methods allows training providers to continually update their training content to match competitors, these updates or changes can also pose substantial threats, especially when they cause delays or affect other major plans of the organizations.

Cost is the number one overriding factor in realizing the benefits of high-tech training methods has been empirically investigated. In assessing the usage pattern and perceived effectiveness of high-tech and traditional methods, Erffmeyer, Russ and Hair (1992) found that high-tech sales training methods are less frequently used (at the time of their survey) than traditional methods. The same study revealed the utilization of high-tech sales training methods were quite low, despite the perception that they are highly effective. Similarly, Russ, Hair, Erffmeyer, and Easterling (1989) concluded that the mean usage of four high-tech methods (Computer-Aided Instruction, Computer-Managed Instruction, Teletraining, and Interactive Video) was low, suggesting that these methods were “seldom used” (p.48) when training sales representatives. The authors also found that, while the mean of perceived future utilization of high-tech methods among the sample’s respective industries (financial, high-tech, manufacturing and service industry)

was reported to be significant, the sample's absolute anticipation level of future utilization of high-tech methods remains in the "sometimes range" for all four industries (p.49). Statistical T-tests in both the 1989 and 1992 studies reported no statistically significant difference between present and future utilization of high-tech methods in terms of the sample's characteristics (industry type, salesforce and firm size). Hence, the authors attributed the significant results to cost, trainees' resistance to change, and companies' experience and commitment levels in adopting high-tech methods.

Resistance to change is another well-documented flaw as a result of selecting high-tech training methods. Six of the twelve articles reviewed earlier in this subsection mention the trainees' psychological predicament as one major cause of resistance towards high-tech training methods. All six articles characterized the psychological resistance towards change as:

- fear of failure to comprehend the complex nature of the operating system which hinders trainees from familiarizing themselves with systems such as artificial intelligence (Steinberg and Plank 1987)
- lack of knowledge about high-tech methods and massive technical jargons which hinder trainees from (re)learning new and complex high-tech instructions methods (Erffmeyer, Russ, and Hair 1992; Russ, Hair, Erffmeyer and Easterling 1989)
- lack of tangible standards across the different industries which makes one high-tech method more suitable in one industry than another (Martin and Collins 1991)
- requiring highly experienced and knowledgeable experts which has often given negative publicity about high-tech over conventional methods (Zemke and Armstrong 1996)
- more experienced sales reps who resent switching from the conventional methods or undergoing (re)training fail to adopt high-tech training methods (Rubash, Sullivan and Herzog 1987).

The bottom line is, in order to achieve the benefits of high-tech training methods, training providers require expert skills in such areas as choosing the appropriate

hardware, designing effective software, matching training needs and objectives to the selections of high-tech methods. Most important, they must base their decisions on cost, trainees' resistance to change, and companies' commitment levels in adopting those high-tech methods.

Traditional Sales Training Methods

Most of the empirical studies in the 1970s, 80s, and 90s have dealt widely with the relative usage patterns of traditional sales training methods, and their efficacy in achieving sales training objectives. Carroll, Paine, and Ivancevich (1972) conducted a comprehensive survey on the relative effectiveness of nine traditional training methods in achieving six training objectives. Table 2 summarizes the authors' findings by incorporating the nine different types of traditional training methods listed at the bottom of the table, the list of training objectives in column 1, and the relative ranking of all nine training methods in achieving various training objectives in column 2.

Table 2: Relative effectiveness of nine traditional methods compared against six training objectives.

Training Objectives	Effectiveness of Each Nine Method** in Achieving Various Training Objectives
Knowledge Acquisition	Programmed Instruction method (training manual) is rated most effective*** over other eight methods in achieving knowledge acquisition objective.
Changing Attitudes	Sensitivity training method is rated most effective*** over other eight methods in achieving changing attitudes objective.
Problem Solving Skills	Case, business games, role playing, and conference methods are rated more effective*** than other five methods in achieving problem solving skills objective.

Training Objectives	Effectiveness of Each Nine Method** in Achieving Various Training Objectives
Interpersonal Skills	Sensitivity training and role playing are rated most Effective*** over other seven methods in achieving interpersonal skills objective.
Participants Acceptance	Conference, discussion method, case study, and the use of business games are more effective*** in achieving participants acceptance objective than other five methods.
Knowledge Retention	Program instruction (manuals), case study, sensitivity training, role playing, conference method, and business games are rated more effective*** than other three methods in achieving knowledge retention objective.

** The nine methods compared in the study are: 1) case study, 2) conference (discussion) method, 3) lecture (with questions), 4) business games, 5) movie films, 6) programmed instruction (manuals), 7) role playing, 8) sensitivity training, and 8) television lecture.

*** Statistically significant at 0.01 level using the comparisons of means (t-statistics).

--Source: *Carroll, Paine, and Ivancevich (1972, p. 498-505).*

Hopkins (1978) discovered the order of importance for traditional training methods used by companies in training their newly hired sales reps, ranked as: 1) on-the-job (OJT) training, 2) classroom instruction, 3) coaching, 4) observation, 5) home study, and 6) special outside courses. In the same survey, Hopkins (1978) found a similar pattern of methods used in training experienced sales personnel with those used to train the newly hired, except for a slight difference in the ranks of the first, fifth and sixth methods. Experienced sales personnel preferred classroom training over OJT because classroom methods provide two-way dialogue and discussion. Special outside courses method was ranked fifth by experienced sales personnel, as compared to sixth by the newly hired sales reps. On the other hand, the home study approach, ranked fifth by newly hired sales reps, ranked sixth by the experienced sales personnel.

Hopkins (1978) attributed these two differences to the variants in training objectives for the two groups. Special outside courses (e.g., sales seminars) are designed to focus on the future outlook of sales organizations, overall business climate, and future directions of sales personnel tasks. Hence, this method is more suitable to refresh, expand, and reinforce the knowledge levels of experienced sales personnel. At the same time, the home study method is more suitable for the newly hired sales reps. This is due to the repetitive nature of the course design in focusing on the basic element of territory management. Similar to Hopkins's (1978) finding on training experienced sales personnel, Shepherd and Ridnour (1995) declared that outside courses were ranked as a moderately effective method, while in the case of training sales executives and managers, home study was ranked as the least effective method.

In surveying the sales training practices of larger companies, Honeycutt, Harris and Castleberry (1987) found that lecturing was reported as the most frequently used presentation method. Following lecturing, participation techniques such as role playing (with or without video taping) were reported to be the second most common method. The third most common methods used are case studies, on-the-job training, and brainstorming. Honeycutt, Harris and Castleberry (1987), when comparing their findings to Hopkins's (1978), reported a 15 to 20 percent increase of trainees' participation time when utilizing role play (with and without video equipment). The role playing method was ranked as both the most effective and most highly perceived effective method in achieving six training objectives (i.e., knowledge acquirement, retention, changing attitude, develop interpersonal skills, develop problem solving skills, and participants acceptance) (Erffmeyer, Russ and Hair 1992, p.128-129).

In addition to salesreps' training, role playing was also found to be among the top three most common methods used in training sales executives and managers (Chonko, Tanner and Weeks 1993 p.84; Shepherd and Ridnour 1995 p.71; Anderson, Mehta, and Strong 1997 p.60). Using a Z-test, Anderson, Mehta, and Strong (1997) found a significant difference between larger and smaller firms' adoption of role playing and case studies methods. Larger firms reported a significantly higher percentage than their small counterparts when utilizing both role play and case studies methods in training sales executives and managers. In essence, studies in this subsection confirm that sales training methods vary in effectiveness, and that traditional methods are often preferred over high-tech methods in training both the newly hired/experienced salespeople and sales executives/managers.

Training Program Length

Training providers are bound to face other important issues despite the usage pattern and efficacy issues discussed earlier. These include length of training programs, locations of the training programs, and the decision whether to use the company's own training team or hire outside consultants.

Hopkins (1978) commented that the length of sales training programs can range from a couple of days to as long as three years. Hopkins (1978) also found that consumer product manufacturers tend to have shorter training duration as opposed to those of industrial products firms, insurance firms, and services industries firms.

El-Ansary (1993) found significant differences in the length of formal training between newly hired and experienced salespeople in both top and low performing groups of firms operating in the paper and plastic industry. Firms in the top performing group

required three to nine months to train their new salespeople. They also reported that their experienced salespeople can be trained in less than one week. Unlike the top performing group, firms in the low performing group reported that their newly hired salespeople were being under-trained by a period of six months. They also reported that their experienced salespeople were being overtrained by up to three weeks. The author suggested that, for the lower performing groups' salespeople to reach par with the higher performing groups, the former must reallocate their training budgets more effectively and diversify more training methods for their newly hired salespeople. This recommendation is aimed to match the duration of training both new and experienced salespeople in low performing groups with the more effective training duration practiced by their top performing counterparts.

When training sales managers or executives, the length of training programs is an equally important issue. Coppett and Staples (1980) reported that the average length of training was less than two weeks for 7 out of 10 newly hired sales managers whose firms provide specialized training programs. In another study, while the mode length of sales training programs reported by both sales trainers and managers of small businesses was 5 days, sales managers of large companies reported a different bimodal sales training length both at 5 and 10 days respectively (Honeycutt 1986). The researcher also found that training executives who were involved in that study reported wide variations of program lengths within the range of 1 to 400 days. Firms involved in a study conducted by Shepherd and Ridnour (1995) however, reported that sales manager's training length varies from 0 to 90 days. Within this range, most firms reported that their training programs lasted up to 9.5 business days.

In a cross-cultural sales training study, Erffmeyer, Al-Khatib, Al-Habib, and Hair (1993) found significant differences in the length of time training both US and Saudi salespeople for their first and typical year, respectively. When comparing the first year's length of training between US and Saudi sales reps, US salesreps received almost three times as much training as the Saudi salesreps (155.9 hours versus 58.7 hours). Similarly, in a typical year, the US group received more than twice as much training as their Saudi counterparts (47.3 hours versus 19.7 hours). In a similar pattern, Honeycutt, Ford, Lupton and Flaherty (1999) reported that MNCs in China spent more days on their training program than their domestic counterparts (13 versus 8 days). In Slovakia however, Honeycutt et al. (1999) reported a comparable training program length for both MNCs and domestic companies respectively (13 versus 12 days).

In summary, almost all the authors in the articles reviewed in this subsection argued that the difference in length of training programs can be attributed to the following variabilities: 1) the different types of industry and company size in which sales reps are working, 2) the adoption rates of high-tech vis-a-vis traditional methods in training sales reps, 3) training budget feasibilities, and 4) company philosophies or corporate cultures (Hopkins 1978; Coppett and Staples 1980; Honeycutt 1986; El-Ansary 1993; Erffmeyer, Al-Khatib, Al-Habib, and Hair 1993; and Shepherd and Ridnour 1995; Honeycutt, Ford, Lupton, and Flaherty 1999).

Training Programs Locations and Instructors

The core issue in training program locations and instructors is characterized by pertinent decisions such as: availability of training facilities, availability of qualified trainers, and the effectiveness of the selected training methods. The last is determined by

the comprehensiveness of methods and scope, and the depth of techniques used in achieving the training objectives (Warren 1969). This core issue often leads training providers to the critical question: Should they depend on internal or external resources in training sales reps and managers? (Evered 1990; Husted 1990; Bell 1990; McCullough 1990; and Schrello 1990)

Dubinsky (1980) argued that training providers can develop programs in-house or by engaging outside consultants. In some instances, while the training facilities can be made available to or developed for trainees, qualified trainers, however, cannot be found to facilitate the training tasks. This often happens when training providers adopted sophisticated high-tech methods to train salespeople (Martin and Collins 1991) or when in-house trainers lacked the proprietary knowledge to develop the more sophisticated methods of instructions. In such cases, outside expert help is needed (Rubash, Sullivan and Hezog 1987).

Holton and Bailey (1995) argued that even though both training facilities and qualified trainers can be made available to trainees, training providers can still be technically deficient, especially when the provided training materials are not comprehensive enough in either scope or depth to implement the actual training task. Dubinsky and Barry (1982) stated this notion has long been highlighted when the authors pointed out that the scope and depth of a designed training program can suit only certain groups of sales reps.

Because styles of salesmanship can vary widely from one salesforce type to another, Dubinsky and Staples (1982) conducted an investigation on how adequately prepared the two different types of salespeople in manufacturing and service-oriented

firms are, after participating in their initial sales training. The investigation included measuring the effectiveness of the different personal selling process (PSP), and evaluating the depth of instructional techniques and comprehensiveness of methods, utilized in each PSP step for the two different sales reps types. One of the findings confirmed that both sales reps types reported exclusively and uniquely different usage and levels of technique depths as well as methods comprehensiveness for each PSP step in their respective industries. Dubinsky and Barry (1982) and Dubinsky and Staples (1982)'s two practical implications are relevant: first, in order to adequately prepare sales reps after training, different types of sales reps require both different levels of technique depths and different scope of methods comprehensiveness. Organizations with more than one type of sales rep due to the wide variety of product offerings are advised to seek expert help in designing comprehensive training methods and technique depths, once the internal capacity is no longer sufficient. Second, sales managers, trainers (whether in-house or external consultants), and trainees must be in agreement when coordinating the comprehensiveness of training methods and technique depths with each PSP step. This is to ensure that the desired scope of methods comprehensiveness and desired levels of technique depths are well represented in the sales reps' different training program designs. If this cannot be met in-house, training providers (whether in large or small firms) are advised to seek outside help in training the different sales rep types. Thus, the issue of training locations (in-house versus external experts) is not only subject to the availability of training facilities and qualified trainers, the comprehensiveness of both instructional methods and depth of instructional techniques can determine the effective (out)source of training locations.

In surveying the sites of formal sales training for both new and experienced sales managers, Coppett and Staples (1980) reported the following percentages for the different sites usage: 48.5 percent (company's own training facilities), 30.3 percent (managers self-paced training), 15.2 percent (outside consultant), and 6.1 percent (others such as MBA programs).

Similar to Coppett and Staples (1980), Peterson (1990) found that in-house training facilities are perceived as being more effective than external training sites for training sales reps in both consumer- and industrial-goods firms. Using Tukey's K test, both firm types reported significant means of perceived effectiveness for in-house sites such as on-the-job training and regional sales office training. The mean of perceived effectiveness for external sites such as an exotic location and independent training facility, however, was reported as being not statistically significant for both firm types. Consistent with the foregoing studies, Shepherd and Ridnuour (1995) also found that in-house training locations were perceived as being more effective by training providers than by outside consultants. The authors reported a statistically higher mean of perceived effective trainers (5.4/7.00) when using staff sales trainers, as compared with the mean of outside consultants (4.1/7.00). Shepherd and Ridnuour (1995) argued that the higher mean score in selecting internal staff as instructors than outside consultants, is attributed to the ability of training providers to hand-pick qualified training leaders who are well-equipped with vast sales knowledge and experience.

Looking for the effect of firms' size on selecting training instructors, Dubinsky and Barry (1982) found that larger industrial firms tend to use more outside trainers as compared to smaller industrial firms. In addition, Anderson, Mehta and Strong (1997)

found a significantly higher percentage of marketing managers served as trainers in smaller firms as compared to larger firms. The authors argued that this finding probably reflects a closer relationship between the marketing and sales departments in smaller companies as opposed to larger companies. Besides looking at the effect of firms' size on the selection of trainers, Anderson, Mehta and Strong (1997) also looked at the effect of different sales personnel types on the perceived effectiveness of training sites. In doing so, the authors divided the sample into two distinct sales personnel groups: the group that received the primary form of the training program, and the group that received multiple forms of the training program.

The group receiving multiple forms of the training program reported a higher percentage in perceived usage of outside consultant than in-house facilities, as opposed to the group receiving the primary form of the training. However, Anderson, Mehta and Strong (1997) offered no explanation for this finding in terms of the characteristics of the group receiving multiple forms of training and its definition; nor did the authors perform a discriminant validation test on the division of the two group types. Thus, the statistical significance of this finding cannot be conclusively validated.

So far, this review has informed us of the fact that in-house training is still preferred by most training providers over outside expert help. The discussion in this subsection continues to shed light on characterizing training facilities provided by outside consultants that claimed to be of much help in training sales people. Jackson and Schlacter (1978) and Hahne (1981) reported a list of examples of external consultants: independent sales management executive development program organizations,

independent consultant, university and continuing education (including professional teaching), and manufacturers and retailers association (ASM 1996).

Husted (1990) provided examples of programs that can be offered by outside organizations such as seminars and short courses, executive education programs, correspondence courses, consulting, and sales and marketing research. Schrello (1990) characterized four types of external sales training seminars: “public seminars, in-house presentations, licensed programs, and custom-designed programs” (p.677). Bell (1990) commented that external sales trainers must be specialists in their relevant training field, and that they must have sufficient experience to identify training gaps and recommend ways to fill those gaps. In addition, Bell (1990) listed four useful criteria in selecting external sales trainers: “allegiance to clients’ professional growth, provide role-modeled behavior, compatible with clients’ philosophies, and have relevant experience” (p. 636).

Once the importance of product concept was accepted in the 1960s and early 1970s, most sales organizations engaged outside consultants to keep up with (or maintain) the companies’ growing needs to sell its products (Cover and Lefton 1974; Rackham and Wilson 1990). Outside expert help was needed based merely on basic training needs of the sales organizations--increasing sales rep’s product knowledge and selling skills. Additional training methods such as high-tech methods and special training contents, were not required during the time. In the late 1970s and 1980s, with computer based training becoming increasingly important, outside expert help was needed to develop system software for sales organizations (Collins 1986). This era saw an increase in numbers of software suppliers, mass production of system software and training manuals to sales organizations across industries. Some examples of software

packages include simulation games, computer based forecasting, and interactive selling. These were designed to provide solutions to real problems rather than mere selling instructions (Fauley 1980; Collins 1985). These packages were developed entirely by the vendor to suit all employees within a company, with very little or no tailoring involved (McCullough, 1990). The objectives of a packaged training program remain to instill product knowledge and selling skills. But engaging in this type of training is primarily to find the best packaged suits for all types of sales reps, and to hire qualified trainers with the best packaged deals at the lowest bidden prices (Warren, 1969, McCullough 1990, Delaney 1995).

The 1990s, however, saw the era of relationship marketing, where the outside expert was sought to develop customized training systems to meet the demands of sales organizations. As sales organizations increasingly embrace relationship-based selling, eliminating the mass selling approach, long-term selling skills associated with developing buyers' trust have become the basic feature of training programs (Wotruba 1996). Thus, outside consultants custom-tailor their training expertise to suit the sales organizations' training needs in their respective industries' market orientations. Most important, sales organizations began to realize the need to custom-tailor different training programs for different types of sales reps (Kahn 1997a; Kahn 1997b). In custom-tailoring training programs in the 90s, advanced computer software, multimedia, CD-rom, and automation through the Web (Varney 1996) are among the most frequently used tools by consultants to provide effective help for sales organizations. Consultants are advised not only to integrate training programs in supports of company's strategies, but also to utilize training strategies that will help achieve the company's core competencies.

This subsection has discussed the importance of training program locations and instructors in the overall design of training programs. Training providers must assure that training facilities can be made available to trainees, that qualified trainers are hired to carry-out the task effectively, and that training methods' comprehensiveness and techniques' depths must be attained sufficiently, before deciding on outsourcing for experts. On the other hand, when engaging with outside experts help for training design improvements, organizations must realize the explicit and implicit consequences of cost, budget, and coordination between outside trainers and firms sales managers. All of these factors determine the most effective (out)source training programs which help ensure that selected instructors and locations uphold the companies' strategies and maintain overall core-competency.

So far, this subsection has dealt with five important issues: participative versus non-participative methods, high-tech sales training methods, traditional sales training methods, training program length, and training program locations and instructors. To conclude this subsection, Table 3 presents pertinent examples of the different media/approaches in which traditional sales training programs can be effectively carried out. Though not listed exhaustively, Table 3 provides some common traditional training methods to complement the list of high-tech training methods shown in Table 1.

Table 3: Brief descriptions of some commonly used traditional sales training methods.

<u>TRADITIONAL SALES TRAINING METHODS</u>
<u>I. On-The-Job Training (OJT):</u>
This method allows trainees to acquire selling skills and product knowledge by doing the actual selling task themselves. Trainees are accompanied by experienced sales managers, whose demonstration skills include: 1) observing and improving trainees' abilities in handling real selling tasks activities [e.g., customers' pre-calling and screening; territory planning and organizing; filling and completing customers' orders; handling customers' complaints and

grievances]; 2) briefing on trainees' job description; 3) establishing trainees' selling objectives; 4) establishing trainees' learning standard to ensure the achievement of OJT goals; and last but not least, 5) developing the list of additional training methods and resources to supplement OJT.

--Source: Harrison 1974; Hopkins 1978; Honeycutt 1986

II. Role Playing:

When used effectively, role playing provides three major benefits in training sales reps: 1) trainees can apply, practice and refine what they learn in their training programs; 2) in playing different roles, trainees discover different values, beliefs, and thought process of the parties involved in making and closing transactions; 3) upon realizing the first two benefits, trainees can relate them to reinforced learning, increased knowledge, attitude-formation changes, and development of effective selling skills. With the advancement of high-tech equipment, role playing can be taped by both video and audio recorder. This will give the sales reps the opportunity to see, hear, critique, and improve their selling performances.

--Source: Parry 1990; Test 1995a

III. Coaching:

Many training experts believe coaching is a subset of OJT, such that utilizing this method will reap the same benefits as OJT. The key difference between OJT and coaching lies in the focus of both methods. While OJT can be viewed as general demonstration on the effective ways selling functions are accomplished, coaching focus on face-to-face communication, ongoing dialogue between trainees and sales managers, and supporting employee suggestions for work improvement. Coaching is a collaborative effort between sales reps and sales managers, enhanced teamwork, initiated good behavior, and continuously rendered emotional support. It aims to solve trainees' problems even after they become competent in their field. The selected coach must be able to observe and point out areas of improvement to trainees (before, during and after the sales call), possess high level of commitment towards trainees' success, and evaluate trainees performance.

--Source: Honeycutt 1986; Lidstone 1987; Stowell 1988; Farber 1997

IV. Classroom Training:

This method is comprised of many techniques such as conference, lecture (conventional or TV lecture), simulation games, conventional films and videos, manuals, and case studies. Both lecture and conference techniques aim to provide product knowledge, selling skills, and information—the company's as well as the competitors'. Simulation games, problem-solving conferences, and case studies improve sales trainees' problem-solving abilities. Conventional films and videos provide a visual record of trainees' presentation skills for trainer/trainee evaluations. Manuals provide explicit step-by-step guidelines on selling techniques, products and company's knowledge. Manuals are suitable for use in classroom training, OJT, on trainees' own free time, or during self-administered training.

--Source: Adams 1965; Thomas and Thomas 1984; Honeycutt 1986; Lidstone 1987

To generalize from the foregoing discussion, no one "best" training method can support the overall effectiveness of a training program. As previously stated by a training expert, the selection of training method/s must be based on factors such as cost,

training objectives, time, trainees' class size, and learning principles (Newstrom 1975). Other pertinent issues such as availability of qualified trainers, comprehensiveness of the chosen methods, training technique depths, and coordination between trainers, trainees and outside consultants also require equal attention (Dubinsky and Barry 1982; Dubinsky and Staples 1982). This literature review has described such pertinent issues as what, where, how, when, and duration of sales training program methods. Next, the review proceeds to important constituents of training program content. These include discussions on different components of sales training program content, frequent topics discussed, and skills to be acquired from a training program's content.

C.2 Sales Training Program Content:

Components of training program content

As previously mentioned, training program content deal with the actual planning of activities involved in the training program. It focuses on assuring the smooth running of the different training modules, continuity of schedules, instruction, topics covered, transition of topics, budgets, and details about how and what specific skills and abilities are imparted to sales trainees (Warren 1969; Harris 1972; Shaw 1975; Newstrom 1975; Abella 1986). In essence, Proctor and Thornton (1961), Stanton and Buskirk (1974), and Still and Cundiff (1969) mentioned four levels of task priority involved by training providers to ensure the quality of training program content: determining the levels of market orientation; company orientation; product knowledge; and selling techniques in the content of training programs.

One possible way to accomplish the above is to survey the degree of perceived importance and perceived adequacy of training content in different personal selling

process (PSP) steps for different groups of sales reps (Dubinsky 1980). Such a survey can help training providers determine important criteria and relevant content levels to be utilized effectively in the different PSP steps. Dubinsky (1980) argued that different effective sales programs can be designed by varying the different levels of perceived importance and perceived adequacy of training content, in the different PSP steps for the different groups of sales reps.

On the average, most firms involved in Hopkins's (1978) study reported the following time allocations for training program content: 40 percent on product knowledge, 20 percent on selling techniques, 15 percent on market information or industry orientation, and 10 percent on trainees' company orientation. To note the relative change in Hopkin's (1978) findings over time, Honeycutt, Harris and Castleberry (1987) found 35 percent on product knowledge, 30 percent on sales techniques, 15 percent on market information, and 10 percent on company information and other topics. Clearly, both the decrease in product knowledge and increase in selling skill trends in sales training program content are apparent. The focus of training program content has shifted from heavy emphasis on product knowledge in 1978, to much heavier emphasis on sales techniques and market information by 1987.

Honeycutt, Howe and Ingram (1993) reported that different industries emphasize different training content to suit the unique selling task in each industry. Firms operating in the industrial sector reported a statistically significant higher percentage of time allocated to product knowledge content, when compared to firms operating in both service and consumer industries. On the other hand, firms operating in consumer industries reported a statistically significant higher percentage of time allocated to selling

techniques, than firms operating in both industrial and service industries. Consistent with these findings, the authors concluded that specific firms and industries have a significant effect on the extensiveness of their training programs' content.

Honeycutt, Howe and Ingram (1993) also reported the perceptual differences of opinions in the sample characteristics with regard to perceived effective training content. The authors reported that trainers rated both product knowledge and selling techniques as top training content to enhance sales reps' performance. On the other hand, sales reps rated product and market knowledge as being more effective than selling techniques to enhance their performance. Thus, collaboration of input between sales trainers, sales managers, and sales trainees is strongly suggested by the authors, in establishing training objectives for the groups involved in this study.

In surveying the sales force's performance in paper and plastic industry, El-Ansary (1993) reported the difference in sales force's training content between top performing and low performing groups: the top performing group offered a broader range of training contents/topics than the lower performing group. The training program contents offered by the top performing group include "market knowledge, communication skills, listening techniques, industry knowledge, and complaint handling skills" (p.84). The author, however, did not find a significant difference in selling skills between the two groups, suggesting that the sales force from both groups judged themselves proficient in their selling skills.

However, when the sample was broken into a sample of sales reps and sales managers, El-Ansary (1993) reported some statistically significant differences exist in the way these two groups perceived their selling skills. Using a factor analysis technique, the

data collected from sales reps consisted of all ten items of the selling variable, grouped under one major factor the author labeled “selling skills.” In significant contrast, when applying the same procedures to the data collected from sales managers, the ten items of selling variable were grouped under three different factors which were labeled technical skills, presentation skills, and team-building skills.

This finding suggests that, while sales reps perceived only one training skill that can improve their selling performance, the sales managers perceived three different skills to improve the sales reps’ selling performance (El-Ansary 1993 p.87). This finding also explained why no significant difference in selling skills was reported in the analysis of top performing versus low performing sales force groups (first analysis), while some significant differences were found in perceived selling skills in the analysis of sales reps versus sales managers (second analysis).

The differences in the findings of these two analyses can be explained in two parts by the response bias effect in the first analysis (top versus low performing group). First, the larger sample of sales reps (812 reps) compared to the smaller number of sales managers (171 managers) in the first analyses, forced the sales reps’ responses to dominate over the sales managers’ responses in the overall net result. Second, the second analysis (sales reps versus sales managers) confirmed the evidence that sales reps, more so than sales managers, were indifferent in their perception of selling skills. Thus, from a statistical point of view, one can argue that the majority of the sales reps’ responses (who were mostly indifferent in their perception of their selling skills), can be attributed to the non-significant difference in selling skills between top and low performing group in the first analysis.

In contrast, being free from response bias error, the second analysis reported significant results when comparing perceived selling skills between sales reps and sales managers. This is consistent with Honeycutt, Howe, and Ingram's (1993) study in terms of perceptual differences between how sales trainers and sales reps perceive their training programs. Consequently, both studies suggest greater collaboration of input from various parties involved when planning and executing the training program content in their respective industry.

Major topics/ issues/skills in training program content

As mentioned earlier, most of the conceptual studies in the sales training literature tend to categorize sales training program content into four major components: product knowledge; selling skills; market/industry orientation; and company information (e.g., Proctor and Thornton 1961; Still and Cundiff 1969; Stanton and Buskirk 1974; and Harris 1972). Harris (1975) stated it has been the practice of many traditional sales organizations to overemphasize the focus on product knowledge in their training program content. The author also stated that between 60 to 70 percent of the total training time was allocated to improve sales reps' product knowledge and educate them with company information, even though they were dealing with simple product lines (p. 47). Karp (1974) argued this phenomena as "plaquing" (p. 47) the sales reps' performance: unless they learn good selling skills, superior product knowledge cannot guarantee they will generate sales. Both Karp (1974) and Harris (1975) agreed that, while product knowledge prepares the sales reps mentally, selling skills help their vocation in establishing good sales presentations, making effective persuasion, and maintaining continuous contact with customers.

Product training versus selling skills training (SST)

While improving sales reps' selling skills became a primary focus of sales training in the 1980s, sales organizations were advised to stay away from using "superseller clone" (p. 78) selling model (L'Herrison 1981). Sales organizations must realize the flaws of using extremely successful sales reps' (superseller) selling patterns as the ultimate selling styles to be fitted and adapted by all sales trainees. The superseller cloning selling model, also known as "one-size-fits-all selling model" (p. 49) had been heavily criticized in the mid 80s due to such imbedded weaknesses (Rackham and Wilson 1990) as: failure to adjust for the difference in trainees' personalities when applying superseller selling model; failure to recognize the different types of selling assignments (big versus small selling projects); and failure to take into consideration different industrial orientations which sales reps represent (consumer goods versus services industries [Miller 1980]). Thus, the overemphasis on selling skills in sales training, without giving enough attention to product knowledge, market and company knowledge, and industrial orientation, can result in reps adopting unproductive selling styles.

Rackham and Wilson (1990) and Grover (1997) mentioned the importance of broadening the scope of selling skills, such that product knowledge and other abilities can be incorporated in selling skills training (SST). According to Rackham and Wilson (1990), the practice in the 1970s and early 1980s had been to separate product training from SST. Product training in those days was mostly designed to benefit marketing personnel over sales personnel. While sales reps could still benefit from product training, the sales organizations failed to realize the importance of integrating SST with product training for maximum selling performance. As a result, both studies highlighted the

consequences. First, brief product training sessions with marketing personnel can help sales reps master information about the company's products and services--but neither the skills nor the strategies to sell them. Second, in organizations where new product introduction is introduced too rapidly, sales reps cannot digest the overload of new product information, much less reinforce it during SST.

Because these flaws were not considered at the time, sales trainees were scheduled for SST programs to catch up with product information acquired either through brief sessions with marketing personnel, or by self-paced studying (Rackham and Wilson 1990; Grover 1997). Unfortunately, much of the information they learned earlier about products and services had to be "unlearned" (p. 50) during the SST programs (Rackham and Wilson 1990). This process allowed reps to focus on much different objectives of SST than the objectives of product training that they had acquired earlier. This approach is similar to the approach of a canned selling program, where sales reps tend to memorize presentations and focus only on the mechanics of selling styles, rather than understanding buyers' needs, solving buyers' problems, and bonding strong lasting relationships with them (Ayrer 1995; Liston 1996; Brewer 1997).

Along with Rackham and Wilson (1990), Grover (1997), and Brewer (1996), many training experts consistently argued that when both SST and product training are integrated, one can effectively act as a prerequisite for the other. Thus, in closing, Table 4 provides some conceptual recommendations made by a few sales training experts on ways to effectively integrate product training and selling skills training (SST). While the ways provided in Table 4 are not exhaustive, the purpose of the table is to provide some

recent ideas pertaining to integrating product training and SST, as presented in frequently cited practitioner-oriented business periodicals.

Table 4: Recommended ways to integrate product training and SST effectively.

<u>PRODUCT-SELLING TRAINING</u>	
<u>Ayrer (1995) in <i>American Salesman</i>:</u>	
*	Provide holistic point of view training to analyze buyers' state of mind by categorizing different purchasing needs such as perceived needs, qualified needs, and special concern needs. In each type of purchasing situation, sellers must be able to tap into different needs deprivations by presenting suitable solutions, demonstrating products' utility benefits, and presenting the products' top notch values which reps have learned from product utility training.
<u>Liston (1996) in <i>Training</i>:</u>	
*	Companies operating in high-tech industries are advised to train their distributors' sales reps with the same training approach used in training the companies' own sales reps.
<u>Kahn (1997b) in <i>Sales and Marketing Management</i>:</u>	
*	In retail industry, "Retail Net" (p. 66), a new, interactive training CD-Rom, is recently developed. It aims to provide selling skills training more quickly, while the system also provides the latest information about their products.
<u>Brewer (1997) in <i>Sales and Marketing Management</i>:</u>	
*	Hire sales reps who are not only industry experts but who also possess leadership and teamwork skills.
*	Use key customers industry to assign sales reps rather than geographic territories.
*	Emphasize probing customers' business needs more than selling the products' features.
*	Compensate sales reps for their efforts to build long-term relationships, as opposed to short-term profits.
<u>Grover (1997) in <i>Marketing News</i>:</u>	
*	Conduct more national meetings and create more video presentations featuring the products' offerings.
*	Coordinate more between marketing and sales departments in launching new marketing efforts such as new product introduction.
*	Encourage sales reps to participate in workshops that simulate critical sales presentation and rehearse demonstrations of new products to consumers.
*	Send the specifications of the new products or samples to sales reps before launching them to consumers.

Market and customer orientations

Besides product training, market orientation and customer orientation are two other crucial training content areas that need to be emphasized to improve sales reps'

selling skills (Hopkins 1978; Honeycutt, Harris and Castleberry 1987). In order for firms to achieve greater levels of market orientation, Kohli and Jaworski (1990) proposed that firms must encourage higher coordination and greater connectedness in their interdepartmental activities. In testing Kohli and Jaworski's (1990) proposition, Ruekert (1992) found that the degree of market orientation is significantly and positively associated with organizational activities such as training, recruiting, and rewarding personnel. Ruekert's (1992) finding confirmed the relationship that the higher the coordination between firms' interdepartment activities (i.e., training, recruiting, and rewarding), the higher the degree of market orientation that can be achieved by those firms. In addition to Ruekert's (1992) study, Siguaw, Brown, and Widing (1994) found that the degree of firms' market orientation significantly influenced the level of sales reps' customer orientation skills and job satisfaction. Thus, in order to achieve the benefits of market orientation--i.e., customer orientation skills and job satisfaction--Siguaw, Brown, and Widing (1994) suggested sales organizations should be highly influential in designing sales reps' recruitment, training, and performance evaluation activities.

Ruekert's (1992) and Siguaw, Brown, and Widing's (1994) findings can be comprehended in two parts. First, market orientation can be achieved through effective coordination between the sales department and other functional areas of sales organizations. Second, through the influence of sales training program content, market orientation can be achieved by focusing on customer-oriented selling skills (as opposed to selling-oriented skills) to sales reps. According to Siguaw, Brown, and Widing (1994), the difference between customer-oriented and selling-oriented skills is that the former

emphasizes assisting customers to make purchase decisions which lead to long-term buyer/seller relationships, while the latter focuses on selling the products to customers limited to the basis of product features.

Many conceptual and empirical studies in the sales training literature have demonstrated the antecedents and consequences of market orientation with regard to training practices. Hopkins (1978) mentioned that one food company coordinates its sales reps' activities with other organizational functions to achieve a market orientation. As a result, before sales reps were allowed out in the field, they were required to spend several weeks with product managers to enhance their market information, familiarize themselves with the technical aspects of a product line, and study the distribution and shipping process of the company. In order for sales managers to stay abreast of overall organization functions, Coppett and Staples (1980) found that, besides sales related training skills, 12.1 percent of the managers reported the need for non-sales related skills (e.g., public relations) to be included in their training programs.

Dubinsky and Barry (1982) reported a significantly higher percentage of large industrial firms offering market/competition training in their training content, as opposed to smaller industrial firms. The authors concluded that the sales training practices of these larger firms were more thorough than those of the smaller firms. The authors anticipated the relationship that larger firms which offered market/competition training would embrace greater customer-oriented philosophy in their sales management practices. While the hypothesized relationship was found to be significantly true, the magnitude of the relationship (between market/competition training and customer-oriented philosophy) was not as intense as the authors' expectations.

The importance of customer-oriented selling is also supported in Erffmeyer, Al-Khatib, Al-Habib and Hair (1993) in cross cultural comparisons of training program content between Saudi's and US's sales person. The authors found that the average US sales person spent significant more training time on selling techniques (customer-oriented selling) than time spent on product training (product-oriented selling), as opposed to their Saudi's counterparts.

Similar findings were revealed in Honeycutt, Ford, and Rao (1995) when these authors surveyed the training needs of US sales training executives. First, the study ranked conducting customer survey research as the most important task involved by sales training executives in assessing training needs. Second, the study identified acquiring customer knowledge as the most typical training need warranting close attention by sales training executives. Third and most important, sales training executives involved in the study ranked customer behavior as the most important area needing additional research in sales training. The study concluded with a note to academicians, to provide useful research to sales practitioners. This would promote a more scientific understanding of customer behaviors and relations, and thus reduce the perceived industry/academic gap.

Despite Honeycutt, Ford and Rao's (1995) research conclusion, two subsequent studies found empirical evidence, revealing failures of sales practioners to provide market-oriented training content. Shepherd and Ridnour (1995 p. 72) reported only a small percentage (less than 13 percent) of sales executives involved in their study provide extensive coverage of the following terminal skills to reach consumers: "managing diversity," "computer applications," "developing business plans," and "team building." Similarly, Anderson, Mehta and Strong (1997 p. 61) found that a relatively small

percentage (less than 30 percent) of sales executives involved in their study provide the following important customer-oriented training topics: “customer relations,” “competitor knowledge,” “profit analysis by customer type,” and “managing relationship with wholesalers or dealers.” Consequently, Shepherd and Ridnour (1995) and Anderson, Mehta, and Strong (1997) attributed the lack of emphasis in these customer-oriented training contents was due to the following reasons: difficulty in keeping up with turbulent environment and rapid changes of customer demands; insufficient of data available to make accurate comparisons to competitors’ training program content; and the descriptive nature of data collected when dealing with training content issues that often give little room for sophisticated statistical testing.

Company information and industry orientations

Company information and industry orientations are the last two training program content issues mentioned in the sales training literature (e.g., Hopkins 1978; Honeycutt, Harris and Castleberry 1987). Many authors categorized these two content areas under a similar category called market orientation (e.g., Miller 1980; Evered 1990). This is due to the fact that, unless the sales reps fully understood their company information and industrial environments, market orientation cannot be effectively achieved. Thus, the discussion of company and industrial orientation training content is often embedded in the discussion of product knowledge, selling techniques, and market orientation contents (e.g., Miller 1980, L’Herrison 1981).

Similarly, in this literature review, company information and industry orientation training content were briefly discussed in the different issues of: product knowledge (Karp 1974; Harris 1975); selling techniques (L, Herrison 1981; Ayer 1995; Liston 1996;

Brewer 1997); and market orientation training (Dubinsky and Barry 1982; Siguaw, Brown, and Widing 1994). One remaining issue about company information and industrial orientations which needs to be underlined here is the main purpose of their existence. Based on the discussions by Karp (1974), Harris (1975), L'Herrison (1981), Dubinsky and Barry (1982), and Siguaw, Brown and Widing 1994 on company information, it can be generalized that, the main purpose for having adequate knowledge about company information is to help ensure that sales reps perform their selling tasks within the boundaries of the sales organizations microenvironment i.e., product, price, distribution, promotion, and customer relations. Similarly, from the examples provided by the same authors, the main purpose of having adequate knowledge about industry orientation is to help ensure sales reps establish their selling tasks within the macroenvironment of the different industries i.e., economic, political, technological, and most importantly, competitive forces.

From the foregoing conceptual and empirical studies, this review has discussed four components of training program content in the following sequence: product knowledge, selling techniques, market orientation, and company and industrial orientation. To conclude this subsection, Table 5 presents examples of training program content, systematically derived from using a factor analysis method. The purpose of Table 5 is to demonstrate classifications of training content using statistical method, as opposed to the classifications of training contents using conventional/conceptual method.

Table 5: Factor analyzed training content.

<u>TRAINING CONTENT FACTOR LABELS</u>	
<p style="text-align: center;"><u>Factor 1: Strategy:</u></p>	
*	Select strategy as factor label because its components are strategy-oriented. Training contents with a focus on strategic markets, strategic products, company strategies, marketing strategies, and market-oriented strategy. These content areas collectively accounted for 35% of the variation of all training content variables.
<p style="text-align: center;"><u>Factor 2: Control:</u></p>	
*	Select control as factor label because the majority of the training content areas associated with it are inventory, cost, and credit control-oriented. This factor included training content with focus on inventory management, cost accounting, general management skills, credit/collections/deduction policies, and telephone skills. These content areas accounted for 10% of the variation of all training content variables.
<p style="text-align: center;"><u>Factor 3: Interpersonal and communication skills:</u></p>	
*	Personal development, interpersonal skills, selling skills, and communication skills training are associated with this factor label. These content areas accounted for 8% of the variation of all training content variables.
<p style="text-align: center;"><u>Factor 4: Knowledge:</u></p>	
*	Product knowledge, industry knowledge, company knowledge, and customer knowledge are associated with this factor label. These content areas accounted for 7% of the variation of all training variables.
<p style="text-align: center;"><u>Factor 5: Planning:</u></p>	
*	Time and territory management, account development, and pricing policy training contents are associated with this factor label. This module was labeled planning because all types of training areas are associated with planning measures. These content areas accounted for 6% of the variation of all training variables.
<p style="text-align: right;"><i>--Source: El-Ansary (1993 p. 85)</i></p>	

So far, this review has discussed three of the four major elements of sales training practices: need assessment, training objective setting, and sales training program design and implementation--training program method and content. Next, this review continues by discussing the fourth important section of sales training element: training program evaluations.

D. SALES TRAINING PROGRAM EVALUATIONS:

Honeycutt and Stevenson (1989) mentioned that in the period after the World War II, despite the realization by many sales organizations of the need to evaluate sales training programs, very little attention and effort were given to accomplish them. Part of the reasons for this was a lack of a common definition for the term “evaluation.” This phenomenon had posed a major threat to determine the effectiveness of training programs --a crucial ingredient to evaluate the quality of sales training programs (Honeycutt 1986). Thus, sales training literature in the 1980s in particular witnessed many efforts made by training experts to provide meaningful definitions of training program evaluation (eg., Brinkerhoff 1981; Caffarella 1988). These efforts were made to enable training experts to apply relevant operational measures to the term sales training “evaluation,” such that a more accurate concept measurement can be attached to the term “evaluation” (Hawes, Hutchens, and Crittenden 1982).

In a study about the state of the art of sales training practices, Honeycutt (1986) used the definition of training evaluation provided by Monat (1981). Monat’s (1981) comprehensive definition can be stated as: “evaluation is a process or set of activities comparing results against goals and established criteria. It is in a very real sense a scientific exercise designed to answer the basic questions in a rigorous, neutral, objective, and unbiased manner (p. 48).” Goldstein (1986), on the other hand, defines training evaluation as, “the systematic collection of descriptive and judgemental information necessary to make effective decisions related to selection, adoption, value and modification of various instructional activities (p.111).”

A very recent definition of training program evaluation is provided by Attia (1998). Much like Goldstein (1986), Attia (1998) provides a more precise and in-depth definition of sales training program evaluation. The researcher defines training evaluation as: “the systematic collection of information necessary to determine the effectiveness of the sales training activities and the outcome of those activities.” (p.30)

Since the purpose of this study is simply to discover the current state of sales training practices of the different company types in Malaysia, Monat’s (1981) definition of training evaluation is deemed to be a fit. Monat’s (1981) definition provides clear and condensed meaning of the term “evaluation” suitable for simple analyses of sales training program evaluation. On the other hand, both Goldstein’s (1986) and Attia’s (1998) definitions provide a more elaborate meaning of the term “evaluation” for a more thorough and in-depth analyses of sales training program evaluation.

Goals of sales training evaluation

Hawes, Hutchens, and Crittenden (1982) classified the benefits of evaluating sales training practices into primary and secondary goals. The primary goals are: 1) reduce learning time to educate sales reps, 2) increase sales reps morale, 3) reduce reps’ turnover rate and improve control, 4) monitor reps’ progress, and 5) improve interdepartmental communications. According to the same authors the secondary goals of training evaluations are to: 1) to develop operational measures to determine sales training programs effectiveness (determine levels of sales reps’ skills achievement and cost/benefit analysis), 2) to keep abreast with the dynamic and ever-changing market environment (e.g., [re]training for new products, new service, new customers etc.), and 3) to provide valid modification lists on training program methods and content.

These primary and secondary goals provided by the Hawes, Hutchens, and Crittenden (1982) study are by no means claimed to be the ultimate list of benefits of sales training evaluation. Other studies such as Kirkpatrick (1959a; 1959b; 1960a; 1960b); Newstrom (1978); Honeycutt and Stevenson (1989); and Attia (1998), also have provided equally (if not more) elaborate list of benefits acquired by training providers when engaging in training evaluation activities.

Levels involved in training evaluation process

Kirkpatrick's (1959a; 1959b; 1960a; 1960b) four levels model of evaluating training programs has become the classic model and been used widely by trainers for near four decades. The model explains that the tasks of training program evaluation must involve four distinct levels: reaction, learning, behavior, and results. According to Newstrom (1978), these four levels have been endorsed by many researchers and practitioners, such that they have generally been accepted as standard for evaluating sales training. Kirkpatrick (1959a,1959b,1960a,1960b), Newstrom (1978), and Honeycutt and Stevenson (1989) mentioned that all four levels of evaluation categories can be rank-ordered from "reaction" being the simplest criteria, to "results" being the most difficult criteria to be accomplished. Thus, the task of training evaluation becomes increasingly complex as training experts move their evaluation efforts on the continuum of "reaction-results levels" of the evaluation categories.

Reaction Level

Being the simplest form of training evaluation technique, reaction can be easily measured by providing a comment sheet to trainees at the conclusion of a training session. Other effective ways to measure trainees' reactions are surveys, exit interviews,

and discussion (Honeycutt and Stevenson 1989). According to Kirkpatrick (1959a) a comment sheet should measure trainees' reactions with reference to the following particulars: content of the training program, methods or technique adopted during training, and performance of the trainer. Kirkpatrick (1959a) also mentioned that the purpose of evaluating these reactions is to measure trainees' feelings toward what was offered in a training program. The author also mentioned that inputs based on trainees' reaction evaluation must be communicated to trainers effectively. This is to help trainers to prepare, modify and improve the activities (i.e., content, method and performance delivery) of the subsequent training programs.

Kirkpatrick (1959a) and Newstrom (1978) stressed that besides its simplicity, training providers should realize that evaluating reaction could represent some flaws due to the following reasons: 1) high subjectivity (difficulty in data tabulation and lack of quantified objectives), 2) comment sheet may not represent relevant pertinent questions (invalid question), 3) form does not measure trainees' learning curve, and 4) sheet disregards trainees' behavior modification and performance.

In order to overcome the above shortcomings, trainers can employ the following preventive mechanisms (Kirkpatrick 1959a): 1) comment sheet must cover all pertinent items that adequately measure trainees' reaction, 2) allow for some open-ended responses, 3) to avoid response bias, the comment sheet must be completed by trainees, 4) a trained observer such as training director and/or other staff members who help facilitate the training programs, and 5) allow anonymous responses for confidentiality.

Honeycutt, Harris, and Castleberry (1987) found that most of the firms involved in their study focused on trainees' reaction in evaluating training programs. While these

researchers attributed this finding to the simplicity to accomplish reaction evaluation, they also suggested that firms should augment the reaction evaluation with other performance evaluation measures. Similarly, Erffmeyer, Russ, and Hair (1991) reported a high usage pattern (80 percent) of reaction evaluation as opposed to the other three types of evaluation categories in their sample. In another article, Honeycutt and Stevenson (1989) reported that sales managers in large companies relied more heavily on reaction evaluation than did sales managers in small companies (significant at 0.01 level). Sales managers in large companies consistently reported that they measured trainees' reaction towards training program's content, method, and trainers' performance. In fact, these empirical studies confirmed Kirkpatrick's (1959a) speculation when he stated that evaluation of reaction is not only easy to accomplish but, also, it will be intensely accepted and practiced by many organizations.

Learning Level

The second level of training evaluation, learning evaluation, offers more value to training providers than reaction evaluation. According to Kirkpatrick (1959b), learning evaluation augments reaction evaluation by measuring the actual amount of learning incurred by trainees after going through a training program. Kirkpatrick (1959b) mentioned that the purpose of learning evaluation is to measure trainees' learning levels with reference to the facts, skills (techniques), and principles that are (to be) imparted by trainers in a training program.

In facilitating trainers to accomplish effective learning evaluation, Kirkparick (1959b) suggested the following guidelines: 1) measure each and every trainee's learning level as opposed to measure trainees' learning level as a group, 2) provide before-and-

after learning measurement to avoid influence of other extraneous factors which can contribute to trainees' learning process other than the training program itself, 3) when evaluating learning, use both control as well as experimental groups, to compare and contrast the learning score from each group, and 4) use statistical inferences as opposed to intuitive explanations.

Learning evaluations is to be performed in classroom training where the principles of learning such as "job instruction, interviewing skills, induction techniques, effective speaking and writing, and reading skills (Kirkpatrick 1959b p. 7)" can be measured effectively. In testing trainees' understanding of training principles and facts, Kirkpatrick (1959b) and Honeycutt and Stevenson (1989) suggested training providers use paper-and-pencil test (or in some cases standardized paper-and-pencil test). However, in testing trainees' skills, classroom's demonstration, role playing and two-ways discussions are more feasible (Kirkpatrick 1959b). This is to observe and measure the improvement made by trainees through demonstration of the terminal skills they acquired before and after the training program (Kirkpatrick 1959b; Kirkpatrick 1977b).

Honeycutt (1987) found that unlike reaction evaluation, a smaller percentage (55 percent) of firms reported to have adopted learning evaluation. Similarly, Erffmeyer, Russ, and Hair (1991) reported a smaller percentage (less than 60 percent) of firms using learning evaluation in their sales training programs, as opposed to using reaction evaluation. Honeycutt and Stevenson (1989) on the other hand, reported a significant higher percentage of sales managers in large companies performed learning evaluation than did sales managers of smaller companies. This suggests that formal learning evaluations are more challenging and costly than reaction evaluations, such that, only

firms that are equipped with adequate facilities and budget provision, can afford to accomplish them.

Behavior Level

Kirkpatrick (1960a, 1977b) mentioned that the purpose of evaluating trainees behavior is to measure the extent to which job behaviors change over time, as a result of participating in a training program. It offers more value and accurate information about trainees' attitude and knowledge, than the previous two evaluation levels. Here, trainers not only can measure trainees' knowledge levels, they can also observe how this knowledge is translated into effective job activities (Kirkpatrick 1960a).

Kirkpatrick (1960a) offered some effective guidelines to facilitate training providers the behavior evaluation process. First, trainers must provide systematic appraisal to the on-the-job behavior on a pretest-and-posttest basis. Second, statistical analysis must be applied in measuring the changes of trainees' behavior. Third, the post-training test should be conducted about three months after the trainees participate in the training program. Fourth, scrutinize the cost of this evaluation effort due to the need for appropriate repetitions to reinforce behavior changes. Fifth, for valid comparisons, training providers must select a control group (who are not given any training), with the following similar characteristics: education background, age, tenure, and work experience. This is to avoid the influence of other exogenous variables on trainees' behavioral changes. As a result, only training is accounted for the net effect in trainees' behavioral improvement.

Keith and Schlacter (1983) provide the following qualitative measures for behavior evaluation: attitude, product knowledge, selling skills, appearance,

communication skills, initiative, planning, time management, and knowledge of competition. According to the researchers, these qualitative measures account for 70 to 90 percent of the most frequently used measuring criteria utilized by sales organization in behavioral evaluation. Honeycutt and Stevenson (1989) mentioned that among the appropriate instruments of behavior evaluation are the use of questionnaires and direct observation in the field. Erffmeyer, Russ, and Hair (1991) found that the two most perceived effective sources of behavioral evaluation are supervisory appraisal and trainees' self-appraisal. When these researchers look at the different industry effect, they reported that customer appraisal and subordinate appraisal were the two most significant sources of behavioral evaluation for firms in service industry. Honeycutt, Harris, and Castleberry (1987) and Honeycutt and Stevenson (1989) found that, even less firms were involved in measuring behavioral evaluation as compared to reaction and learning evaluations. These researchers confirmed the earlier notion made by Kirkpatrick (1960a) when he wrote that, measuring trainees attitude/behavior is more difficult than testing their knowledge or evaluating their reaction.

Results

The most difficult and complicated form of training evaluation is results evaluation (Kirkpatrick 1960b). According to Kirkpatrick (1960b, 1977b) the purpose of results evaluation is to measure the extent to which organizational results are achieved and affected, as a result of trainees' participation in training program. According to Kirkpatrick (1977b) apart from their separate criteria, not many other differences exist in the general principles of conducting both results and behavior evaluations. While quantitative criteria are often assigned to measure the results evaluation, the qualitative

criteria are more suitable to be used in measuring behavioral evaluation (Kirkpatrick 1960b, Catalanello and Kirkpatrick 1975).

Keith and Schalacter (1983) suggested that the following quantitative criteria be measured against sales reps' performance, when engaging with result-based evaluation: sales volume in dollars, market share in dollars, number of accounts (new versus old), profit in dollars, number of orders, number of customer calls, selling expenses in dollars, and ancillary activities (such as percentage of customer complaints, and percentage of number of demonstration made). Unlike Keith and Schalacter (1983), whom constructed quantitative criteria through survey method, Zemke's (1976) list of quantitative criteria was derived from panel interview with top sales executives. The following short list highlights some of Zemke's (1976) suggestions pertaining to useful criteria for behavioral evaluations: number of sales force turnover, number of days of absenteeism, number of customers' complaint and compliment letters, number of merchandise sold and returned by customers/key accounts.

Although quantitative criteria is more suitable in measuring results evaluations (Kirkpatrick 1960b; Catalanello and Kirkpatrick 1975), researchers must not rule out the possibilities of making effective results evaluations using qualitative criteria (Kirkpatrick 1975). Thus, consistent with Kirkpatrick (1975), Attia (1998) used qualitative criteria (a total of 25 items) to evaluate sales reps' results for an Egyptian-based multinational company. To avoid data contamination, the researcher employed a covariate analysis to control for trainees' location from influencing the desired training results. Using a factor analysis, the significant derived factors (act as the desired results) were compared before and after the training session for both experimental (the trained) and control (non-trained)

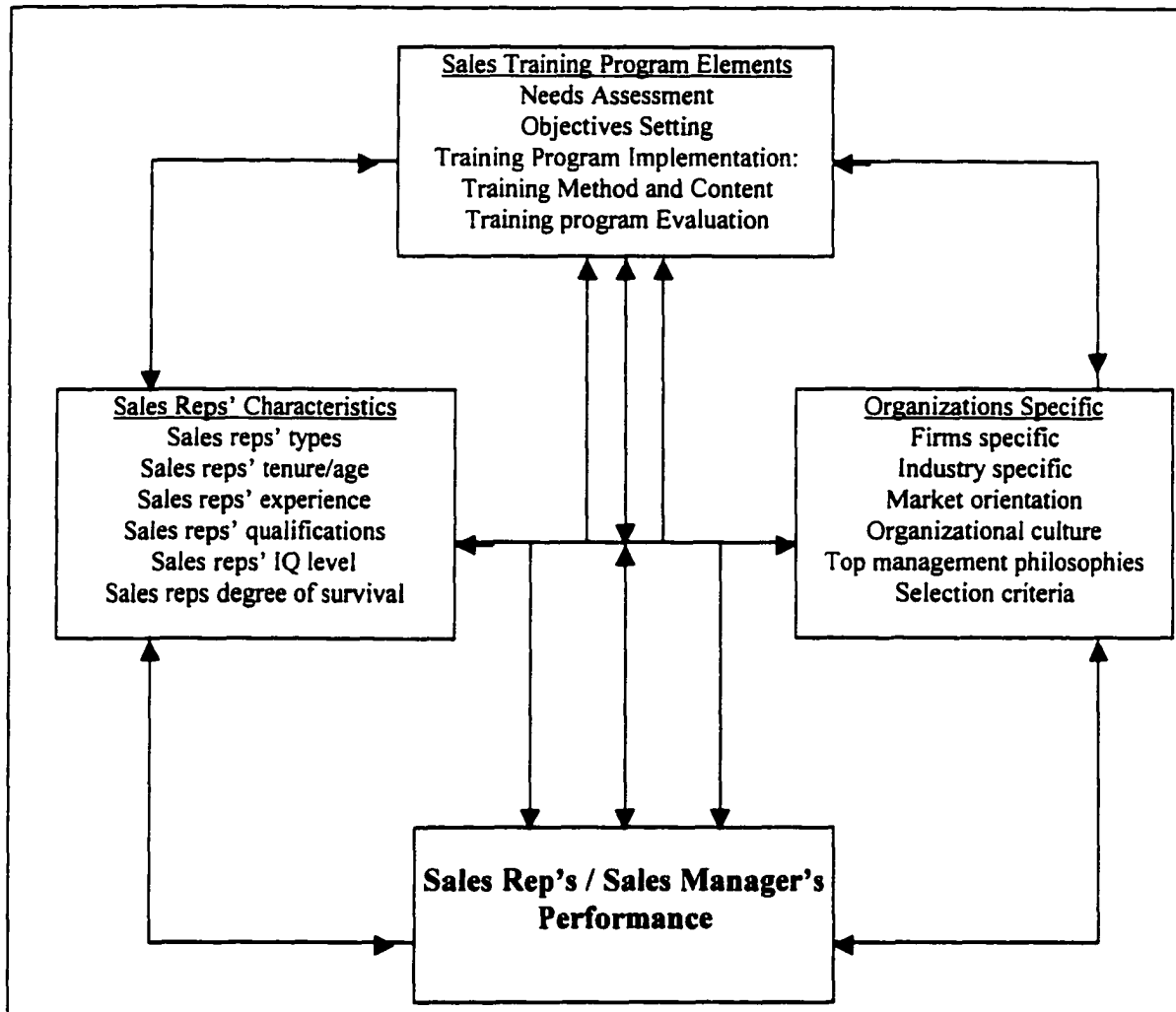
groups. The researcher found that trainees belonged to the experimental group achieved a significantly higher results than the control group at the end of the training session. Thus, Attia (1998) concluded that the training program provided by the Egyptian company in his study managed to improve trainees' performance and helped achieve better organization's end results.

Honeycutt and Stevenson (1989) recommended two appropriate instruments that can be used to measure results evaluation such as: statistical analysis of changes in sales, and statistical analysis of changes in profits and expenses. Questionnaire, survey, and panels and experts interviews are equally suitable to be used as methods of results evaluation (Kirkpatrick 1975; Keith and Shalacter 1983; and Zemke 1976). Erffmeyer, Russ and Hair (1991) reported that although results evaluation was perceived as highly important by companies participating in their study, those companies however, reported a significantly low usage of results evaluation. Similarly, El-Ansary (1993) found that no significant difference existed between top and low performing groups of sales managers in terms of conducting result-based training evaluation. Thus to date, much like what had been said by Kirkpatrick (1960b) almost forty years ago: results evaluation still remain as one of the important areas of sales training practices which offers abundant room for future research.

The preceding discussions of the four major elements of sales training practices conclude the first part of this literature review -- sales training practices in the domestic environment setting. Next, this literature review continues with a discussion of sales training practices in international environment settings. To conclude, Figure 1

summarizes part I of this literature review by depicting a framework within which the sales training practices in domestic business environment can be described.

Figure 1: Domestic Sales Training Practices Framework



Part II: SALES TRAINING PRACTICES IN THE INTERNATIONAL ENVIRONMENT SETTING

INTRODUCTION

In the last two decades, studies of international sales management (including sales training) have been neglected and appear to have received less attention by marketing scholars (Cavusgil and Nevin 1981; Still 1981; Hill, Still, and Boya 1991; Dacko and Sudharshan 1994; Honeycutt and Ford 1995). Most of the published works in cross-cultural sales management are presented in anecdotal or conceptual format (Cavusgil and Nevin 1981; Hill, Still, and Boya 1991), thus, leaving very little room for the development of and testing of valid cross-cultural sales management model. However, this phenomenon did not happen without good reasons, some of which are highlighted in the next paragraph.

Similar to other developing regions of the world, due to the hesitation of multinational companies (MNCs) to share highly confidential information (such as, key indicators of sales performance), lower response rates have often become essential limitation of cross-cultural sales management studies in Asia (Kotler et al. 1996). Concerning cross-cultural training, Black and Mendenhall (1990) noticed that failure to use rigor statistical techniques such as the use of control groups, longitudinal designs, and the descriptive nature of data collected, have often made researchers' findings less consistent with their proposed theory development. While the previous two scholars blame both the attitudes of MNCs and statistical methods impairment, other scholars blame the lack of operational definition of the term "culture" associated with sales management practices (e.g., Still 1981; Hill and Still 1990; Kale and Barnes 1992; and

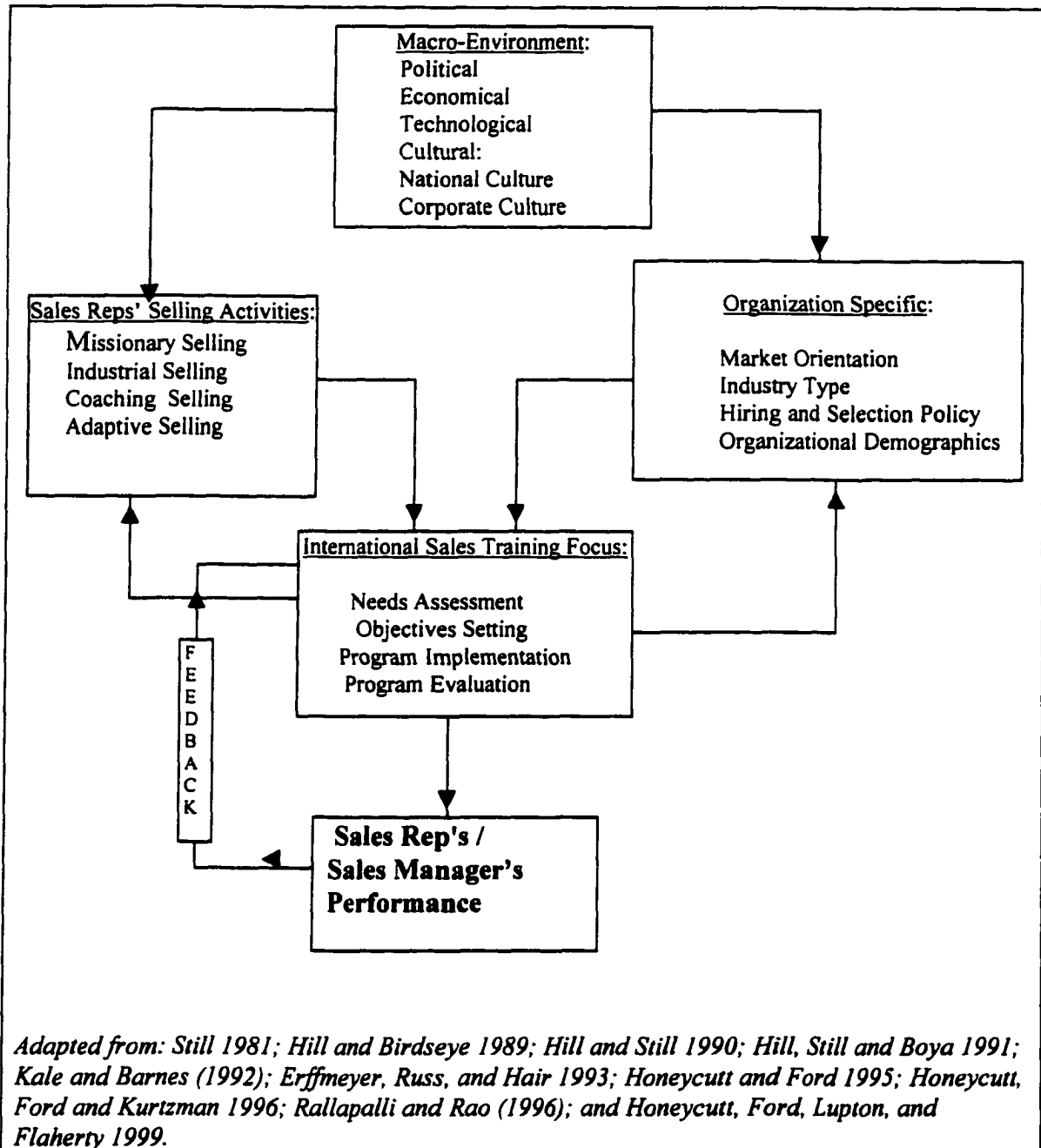
Rallapalli and Rao 1996). As a result of such difficulties, the construct equivalence of the term culture is difficult to measure, and the validity of comparison in one regional sales management practices to another is highly questionable (c.f. Singh's [1995] comments on the work of Dubinsky et al. [1992]).

To effectively discuss the elements of sales training practices in an international environment, a simple framework of international sales training is introduced in Figure 2 of this review. This simple and parsimonious framework is derived from a detailed review of previous scholastic studies on international sales management, which also include studies on international sales training practices (e.g., Still 1981; Hill and Birdseye 1989; Hill and Still 1990; Hill, Still and Boya 1991; Kale and Barnes 1992; Erffmeyer, Russ, and Hair 1993; Honeycutt and Ford 1995; Honeycutt, Ford and Kurtzman 1996; Rallapalli and Rao 1996; and Honeycutt, Ford, Lupton, and Flaherty 1999)

Figure 2 demonstrates the following cross-cultural sales force issues: macro environment, sales reps' characteristics, organizational specific, international sales training elements; and sales reps performance. These inter-related issues can interchangeably be used as both antecedent and outcome variables of effective cross-cultural sales training practices. The purpose of this framework is to simplify the complex details of the international issues of sales training practices and to highlight some pertinent guidelines to be dealt by training providers when designing and implementing international sales training programs. The fact that this framework serves as a simple guideline and not to be claimed as the ultimate model of international sales training practices; it is not of great interest in this research to empirically test the validity of the framework. However, the framework can effectively be used as conceptual

summary of wide variety of issues affecting MNCs' strategic decisions, when dealing with cross-national sales force training.

Figure 2: International Sales Training Framework.



Macroenvironment

Like many other primary activities of international firms, marketing and selling activities are directly influenced by host countries' macroenvironment status (Porter, 1986; Hill and Still 1990). Often in cross-cultural sales management literature, scholars characterized macroenvironment forces by analyzing the (de)stability of a country's political affairs, economic policies, growth of technological advancement, and last, but not least, degree of openness in a country's national culture towards modern ideology (e.g., Brasch 1978; Kale and Barnes 1992; and Hill, Still, and Boya 1991; Nakata 1997). All of these, according to many international sales scholars, have a major influence on MNCs' strategic decisions such as: sales force structure (Hill and Still 1990; Honeycutt and Ford 1995); sales force activities such as forecasting and hiring (Brasch 1978; Moncrief 1989; Honeycutt, Ford and Kutzman 1996); sales force organizational culture (Kale and Barnes 1992; Keater 1994); cross-national sales training elements (Cavusgil 1990; Erffmeyer 1993; Honeycutt, Ford, Lupton and Flaherty 1999); and international sales force evaluation methods (Hill and Alaway 1993).

In a study discussing the effect of national culture on cross-cultural personal selling interactions, Kale and Barnes (1992) mentioned the sources of national culture as combination of both economic (such as, income per capita, economic wealth and growth) and social culture (such as, politic, religion, ethnicity, education backgrounds, social strata) forces. According to the researchers, these dimensions of national culture heavily shaped the content and presentation styles of a sales rep in cross-cultural sales dyad. Another pertinent aspect of national culture is it determines a country's political ruling party (through peoples' majority), who in turn dictates the degree of economic policy and

openness of the country (Brasch 1978). Thus, national culture not only can affect reps' selling skills, it also can determine the rules and regulations governing sales organizations such as: tax restrictions, transfer pricing regulations, and quota number of allowable foreign labors in a foreign country. As a result, MNCs must be aware of and abide by host country's national culture--a macroenvironment force comprised of social subcultures, political group domination, degree of economic openness-- when engaging with cross-nationals selling activities.

For instance Malaysia, being a multiracial country, has a national culture that is marked by the differences in religion, language, and traditions of three different groups: Malays, Chinese, and Indians (Honeycutt and Ford 1995). Due to tensions existing between Chinese (commerce dominator) and Malays (political ruler), the government has stipulated a 30 percent hiring quota must be met by both domestic and MNCs, in hiring Malays and other indigeneous groups (Honeycutt and Ford 1995; Seventh Malaysian Plan 1996). Thus, in countries where affirmative laws like this exist, standardization of sales reps' hiring criteria by MNCs can be futile (Hill and Birdseye 1989). Similarly, international sales managers must be equally careful in selecting sales reps in countries where social class (e.g., Latin America and India) and religions (e.g., Germany) are used as a yardstick to measure social status, character and power reference (Hill and Birdseye 1989).

Sales reps' selling activities

Sales reps' selling activities is another important input variable in designing cross-cultural sales training programs. Moncrief (1989) examined the different activities of industrial sales reps in Germany, Denmark, and USA. He found that German sales reps'

activities differ significantly from their US and Denmark counterparts. For example, German sales reps engage more in sales activities such as training customers on products usage, setting up displays, attending conferences, and working with distributors (order *takers*) than do US and Denmark sales reps.

In contrasting US and German sales reps, US reps focus on prospective customers, conducting customer inventory, and being more order-oriented (order *getters*). On the other hand, German reps were found to be more pre-sale oriented than their US counterparts. German reps focus on pre-sale activities such as preparing sales bids and acquiring product knowledge without the presence of customers (i.e., products testing). In contrast, the US reps spent more of their selling time prospecting new customers, satisfying existing ones, and providing efficient post-purchase service.

Unlike the German sales reps, both US and Denmark sales reps scored significantly high in two top selling activities: frequent sales presentations and product demonstrations to prospective customers. However, both the US and Denmark sales reps scored significant lower than the German reps in working more closely with management. This indicates that both US and Denmark reps are given more autonomy to make creative decisions than German reps. Moncrief (1989) also argued that both the US and Denmark reps practice more customer-oriented selling than their German counterparts whose selling orientation is more inclined towards product-selling.

Moncrief (1989) concluded that selling activities are not globally uniform. Although the German and Danish industries which took part in the study were similar, some fundamental differences in reps' selling activities exist between the two groups. Thus, MNCs are urged to avoid imposing similar selling activities for their Danish and

German subsidiaries, despite the proximity of the same in their geographical locations (Moncrief 1989). The importance of this conclusion has been stressed repeatedly by Hill and Still (1990) and Honeycutt, Ford and Kurtzman (1996), advising MNCs to pay close attention to cultural differences when designing sales training programs either in similar or different regions of the world.

Organization specific

Cross-cultural sales training activities can be influenced by MNCs' organization specific involving such issues as: market orientation, characteristics of industry served, and hiring and selection policy. These three issues are discussed briefly in the following short illustrations:

□ *Market Orientation* □

As with domestic sales training programs, the importance of integrating market orientation concept in cross-cultural sales training programs is prevalent. Nakata (1997) found that national culture significantly influenced how organizations interpret market orientation concept. She suggested MNCs facilitate knowledge dissemination and implementation of market orientation concept at subsidiary levels. Cavusgil (1990) highlighted that, in order to enhance dealers' understanding towards parent company's market orientation, companies like Caterpillar provide sales training programs involving such training topics as: product knowledge, selling techniques, and customer orientation. In addition to these training topics, both Caterpillar and Eastman Chemicals constantly engaged with activities monitoring/evaluating the business performance of their dealers (Cavusgil 1990; Keater 1994)—a consequence variable of market orientation (Kohli and Jaworski 1990). Honeycutt, Siguaw, and Hunt (1995) found a positive relationship between ethical training and customer orientation of both US and Taiwanese salespeople. Thus, the researchers concluded that training has significant influence on customer orientation skills of salespeople both in US and Taiwan.

□ *Characteristics of Industry Served* □

Hill and Still (1990) found significant main effect of industry on MNCs' utilization of different types of sales force structure (independent versus company-owned sales reps). Data obtained by Hill and Still (1990) revealed that, due to high personal contact with final consumers (consumer specialization), all three consumer, pharmaceutical, and electronic data processing industries, significantly chose companies-owned sales reps type in foreign markets. On the other hand, industrial goods industry chose independent reps type due to high uniformity and less complex product offerings (product specialization). Similar to the case of domestic sales force types, international sales force types face different requirements and personal selling techniques in accomplishing their job activities (Moncrief 1988, Moncrief 1989). Thus, all of these warrant

different training methods and contents, to suit the different emphases of the respective industries (Still 1981; Moncrief 1989).

□ Hiring and Selection Policy □

Salsbury (1982) contends that, in order for organizations to benefit from their sales training program, qualified and suitable sales trainees must be hired. Hill and Birdseye (1989) found that, in consumer goods industry, MNCs were willing to select low-caliber sellers due to the non-technical nature of the industry. On the other hand, the researchers found that more educated professionals were hired by MNCs operating in high-tech industries such as pharmaceuticals, industrial, and electronic data processing. This finding is true for the chemical equipment industry in Germany, where sales applicants must possess a Ph.D. to gain credibility and customer respect (Honeycutt, Ford and Kurtzman 1996).

Honeycutt, Ford, Lupton and Flaherty (1999) found two significant differences in the selection procedures of domestic and global firms in China. Domestic firms reported significant higher emphasis on sales persons' ability to respond to specific situations suggested by the interviewers. On the other hand, global firms in China reported higher usage of panel interviewers in their selection procedures than did domestic firms. In the same study, both domestic and global firms in China reported devoting 30 minutes to interviewing sales applicants. On the other hand, in Slovakia, the researchers reported devoting 49 and 32 minutes for domestic and global firms, respectively. Thus, to ensure the smooth running of their cross-cultural sales training programs, MNCs must consider some of the above-mentioned findings/guidelines in reps' selection procedures.

International sales training elements

The macroenvironment forces, sales reps' selling activities, and organization specific mentioned above can influence the elements of MNCs' sales training practices, namely needs assessment, objectives setting, training program implementation, and training program evaluation. The variability of each sales training element in the international setting is exemplified in the following short illustrations:

□ Needs Assessment □

Kallet (1981) contends that although selling activities appear universal, sales reps' needs vary from one culture to another. Newman and Emens (1976) suggest that needs assessment can be accomplished by asking participants and their supervisors what areas they think are most critical for development. Horan (1976) derived some examples of participants' needs using an attitude survey distributed to participants in an intercultural training. She gathered that participants in that training program were concerned about such issues as: difficulties establishing close interaction with American trainers, experiencing culture shock and homesickness, and inability relating their feedback to the trainers. Not only can training providers determine needs which

can solve participants' problems, they can also: 1) help clarify the kinds of technology used in training programs suitable to differing education levels; 2) gather information on learners' characteristics; and 3) understand trainees' socioeconomic and cultural backgrounds (Huang 1996).

□ Objective Setting □

The following objectives are derived from significant studies from 1984-1996:

- Impart effective product, selling, and intercultural skills, as well as to increase reps' knowledge about parent companies (Keater 1994);
- Reduce turnover rates and increase [either manufacturers or dealers] reps' motivation levels (Shiple 1984; Ford 1984; Cavusgil 1990);
- Promote healthy communication flow between parent companies and subsidiaries pertaining to issues such as selling and compensation policies (JMD 1995);
- Build customers' information and disseminate parent companies' market orientation practices (Chonko, Tanner, and Smith 1991; Erffmeyer, Al-Khatib, Al-Habib, and Hair 1993);
- Improve on reps' negotiation skills (Graham, Kim, Lin, and Robinson 1988) and increase reps' abilities to nurture and sustain long-term relationship (Ford 1984); and most importantly,
- Help evaluate reps' performance measures (quantitative versus qualitative measures [Hills and Allaway 1993]) and
- Feedback from this evaluation improves the overall elements of cross-cultural training (Rallapalli and Rao 1996).

□ Training Program Implementation □

Since the selling task is quite similar in today's market, applying US training contents and methods to other geographical regions do not involve many drastic changes (Gerber 1989). MNCs, however, must be very tactful in adapting training contents and methods to suit local taste and culture (Gerber 1989; Montago 1996). Gerber (1989) suggested that decisions on whether to standardize or localize training programs must be based on the types of skills parent companies plan to impart to their sales reps. She mentioned that, when MNCs impart soft skills such as supervisory or communication skills, adapting to local culture is highly recommended. However, when imparting technical skills, she recommended standardizing the parent companies' training contents and methods as being more practical.

Other pertinent issues affecting training program contents and methods are: translation (Kallett 1981; Honeycutt, Ford and Kurtzman, 1996; industry-related and corporate culture-related issues (Keater 1994; Keater 1995); parent companies' market orientation (Cavusgil 1990; Erffmeyer et al 1993; Honeycutt et al 1999); and technological capacity (Flynn 1987; Zeira and Pazy 1985). To avoid marketing blunder, training experts strongly urge MNCs to carefully select, adapt, and balance their training methodology decisions on the above-mentioned issues.

□ Training Program Evaluation □

As with the situation of domestic sales training practices, evaluation of training practices in the international setting is of equal importance (Honeycutt, Ford, Lupton, and Flaherty 1999). Most scholars and training experts agreed that the variability in cross-cultural training evaluation

stemmed from cultural diversion (Erffmeyer et al 1993; Attia, 1998, Honeycutt et al 1999); parent companies' evaluation methods (Cavusgil 1990; Chonko, Tanner, and Smith 1991; Gerber 1993); industry effect (Hill and Allaway 1993); level of market development (Hill and Allaway 1993); and sales persons' evaluation criteria (Hill and Allaway 1993)

SUMMARY

This chapter focuses on the literature review of domestic and international environments, the two central environments in which effective sales training can exist. The review of domestic sales training facilitates a better understanding of firms' sales training practices, namely: needs assessment; objectives setting; training contents and methods; and training evaluation process and feedback, all micro level issues. The review of international sales training literature introduces macro level issues affecting MNCs' training practices, namely: macroenvironment forces (political, economical; technological, and cultural); cross-cultural selling activities; MNCs' organizational specific (market orientation, characteristics of industry served, and hiring and selection policy); and cross-cultural sales training elements (needs assessment, objective setting, training content and method, and evaluation process and feedback).

This dissertation attempts to extend this literature by exploring: 1) the differences of current sales training practices of domestic firms versus MNCs in Malaysia; 2) the two groups' perceptual differences with regard to important sales training tasks such as planning and evaluation, organization, and directing; 3) the effect of qualitative variables (i.e., perceived adequacy of sales training planning and evaluation, perceived adequacy of sales training organization, and perceived adequacy of sales training directing), on perceived sales manager's performance of the two groups.

This dissertation also attempts to investigate 4) the effect of demographic variables (i.e., industry type, availability of budget, and existence of top management support) on perceived adequacy of the overall sales training program of Malaysian sales organizations that are involved in this study. The findings should help validate the anecdotal (prescriptive and descriptive) information of sales training practices in an emerging country such as Malaysia.

CHAPTER III

RESEARCH METHODOLOGY AND STRUCTURE

The literature review indicates a need to explore and extend the research in the field of cross-cultural sales training practices in Malaysia. Currently, the sales training practices in that country are based upon anecdotal and descriptive information reported by local practitioners. Until now, only two comparative empirical studies have been published on sales training practices, and these were in Saudi Arabia (Erffmeyer et al. 1993), and China and Slovakia (Honeycutt, Ford, Lupton and Flaherty 1999), respectively. Dubinsky (1980) asserts that the basic goal of an exploratory study is to gain ideas and understanding about an area where little knowledge exists. Thus, due to the minimum empirical and published research in this area, an exploratory study on the topics of sales training is to be conducted in Malaysia.

Research Questions.

The research framework, hypotheses, and methodologies to be developed in this dissertation are based on the following research questions (RQ):

- RQ1. What are the similarities and differences of the current sales training practices adopted by both domestic and MNCs in Malaysia?
- RQ2. To what degree are important sales training tasks (e.g. planning, organizing, directing and evaluating) perceived differently by domestic and MNCs in Malaysia?
- RQ3. To what degree does the effect of the different perceptions toward sales training tasks on perceived sales manager's performance differ between domestic and MNCs in Malaysia?
- RQ4. Do the perceived adequacy of the overall sales training programs vary according to such demographic variables as: industry type; availability of budget; and top management support for sales organizations in Malaysia?

The answers to these research questions can validate the prescriptive and descriptive information of sales training practices in an emerging country like Malaysia.

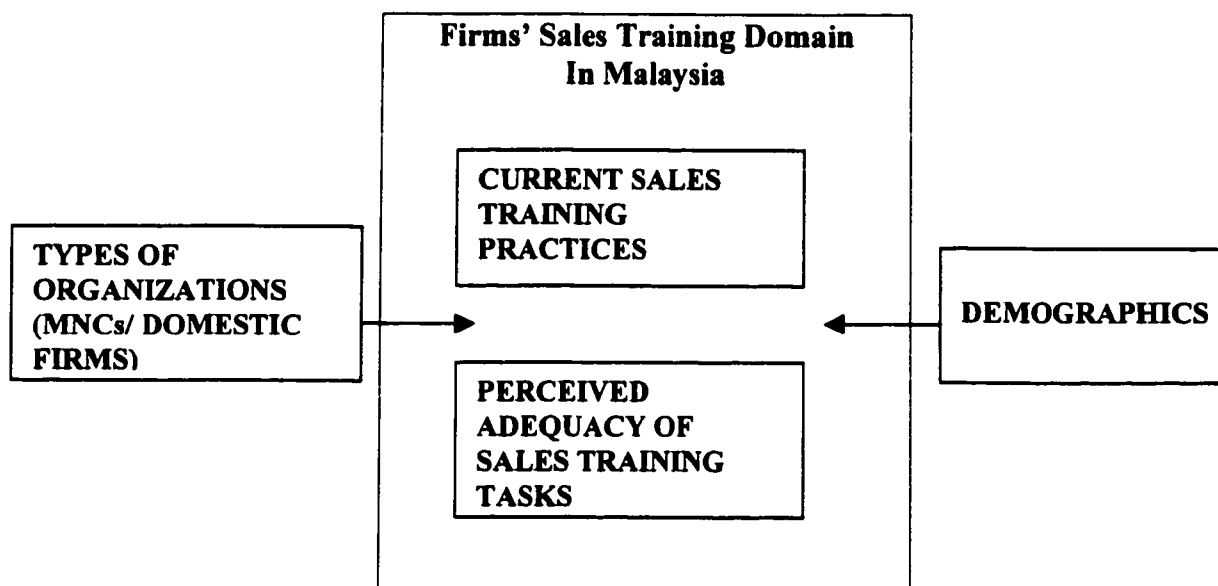
Research Framework

In general, due to a lack of structure in exploratory studies, the use of a research framework as a guide is very important (Parasuraman 1986). Even though issues in cross-cultural sales management are large (Hill 1981), not all of them can easily be tested by researchers. Cross-cultural researchers are limited to issues that are measurable and have been tested by prior studies (Cavusgil and Nevin 1981). Based upon previously tested issues and synthesization of concepts derived from the literature review, the research framework for this study is presented in Figure 3.

The research framework indicates that sources of differences in sales training practices in Malaysia are based upon four distinct organizational issues: 1) the extent to which both domestic and MNCs implement the different elements of sales training programs, 2) the extent to which the perceptions toward important sales training tasks for both groups can be understood, 3) the extent to which the different perceived sales training tasks associated with sales manager's performance for both groups can be explained, and 4) the extent to which the different demographic variables of sales organizations in Malaysia can differently affect perceived adequacy of the overall sales training programs. The framework also explains that when the foregoing distinct sales training tasks are effectively performed, the following perceived sales manager's performance can be achieved (e.g., increase in profit, increase in customers' satisfaction, reduce sales units turnover, reduction in sales manager's supervision time, reduction in

customers' complaints, reduction in selling expenses, improve salespeople's morale, among others).

Figure 3: Dissertation's Research Framework:



Research Hypotheses

Hypothesis 1:

A significant number of theoretical and empirical research has reduced the influence of culture on two important organizational practices: human resource management (e.g., Porter 1986; Adler and Batholomew 1992) and management training (including sales training) and development activities (e.g., Swierczek 1988; Black and Mendenhall 1990; Hill 1981; Hill and Still 1990; Honeycutt, Ford, and Kurtzman 1996; Honeycutt, Ford, Lupton, and Flaherty 1999).

Erffmeyer, Al-Khatib, Al-Habib, and Hair (1993) found that because of a higher tendency by Middle East firms to employ relatives and family members than their US counterparts, those firms do not emphasize the evaluation phase of their sales training

programs. The researchers also reported that the two groups differed significantly in their sales training duration, program content, and program method.

Honeycutt et al. (1999) reported a greater emphasis on market knowledge engaged by MNCs than domestic companies both in China and Slovakia. The researchers also found that product information was emphasized less by MNCs than their domestic counterparts in both China and Slovakia. As far as evaluation activities are concerned, the researchers concluded that: 1) a significantly higher number of domestic firms did not engage in evaluation activities as contrasted to MNCs in China; 2) a significant higher number of MNCs engaged in evaluation activities when compared to their domestic counterparts in Slovakia; and 3) a significant higher number of MNCs employed result-based training evaluation than did domestic companies in China.

Besides Erffmeyer et al. (1993) and Honeycutt et al. (1999), other conceptual studies examined the effect of culture on sales training practices. In order to avoid organizational failures, Hill (1981) urged MNCs to conduct a thorough analysis to identify whether sales training method and content are transferable to other cultures before implementing them. Honeycutt and Ford (1995) and Honeycutt, Ford and Kurtzman (1996) assert that the method of instruction in sales training programs can also vary due to the impact of culture. These researchers warned MNCs not to engage in constructive criticism of trainees in front of their peers, to insure that the translated training modules carry the same meanings and instructions, and to avoid scheduling training programs that coincide with religious festivities.

Specific channels of distribution are more suitable in some foreign countries than others due to consumer attitudes toward certain groups of products. In Indonesia, due to

long and continuing customer loyalty to local direct selling cosmetic businesses, Avon has focused heavily on a direct selling method, as opposed to marketing its products through retail outlets. Restricted by this issue, sales training developed by Avon for its Indonesian trainers differs greatly from programs developed for trainers in other countries (Baldwin 1994).

In the case of Middle Eastern countries, Ogranovitch (1980) stated that trainers must be careful when evaluating trainees' levels of understanding concerning skills they learned during training programs. On one level, at the end of a training session, Arab trainees can be perceived to have understood the concepts and skills imparted to them during training. While the scores of pencil-and-paper tests taken after a session ends can be good, in reality those scores actually reflected their memorization skills instead of the actual understanding about skills they learned from training sessions. According to Ogranovitch (1980), Arabs are excellent at memorization skills because they are trained to memorize the *Koran* from early childhood. Thus, trainers' evaluation of trainees' understanding about certain skills and knowledge based on his/her memorization ability can be very misleading and erroneous. Ogranovitch (1980) urged MNCs, whose subsidiaries are present in a different cultural setting, to employ different tests to evaluate trainees' knowledge. Based on the above arguments that discuss the effect of culture on sales training practices, the first hypothesis for this dissertation is advanced:

- H1: In Malaysia, compared to domestic firms, MNCs practice significantly higher levels of each of the following sales training activities:
- a) Needs determination;
 - b) Objective setting;
 - c) Methods employed;
 - d) Content employed; and
 - e) Evaluation levels employed.

Hypothesis 2:

Similar to other emerging nations in the world, Malaysians' knowledge of and submission to western management and marketing practices is still in the formative stages (Zabid 1987; Ahmad 1995; Mohd Salleh 1998). Ahmad (1995) found that despite a strong propagation of western values by transnational advertising agencies, domestic agencies continue to perpetuate strong eastern values in the production of print advertisements in Malaysia. Aziz (1999) mentioned that, although the concept of liberalization of economy is well accepted, many local organizations still base their organizational philosophy on traditional ideologies such as nationalism and patriotism. However, this notion is not entirely true based on both Saracheck et al.'s (1984) and Zabid's (1987) studies. Both researchers reported that significant proportions of western management practices are being followed and adapted by domestic businesses in Malaysia.

Unlike domestic companies, however, most MNCs in Malaysia practice and follow the operational pattern and policy designed by the head office with few adjustments made to suit local culture. Poon et al. (1988) reported that a large percentage of American, British, and European subsidiaries in Malaysia, follow their parent companies' policies in such strategic functions as company expansion, production decisions, sales forecasting, advertising, and pricing. In case studies on management training, Ahmad (1988) and Ismail (1988) reported that a significant number of MNCs in Malaysia strictly adopt the parent companies' training policies involving issues such as: selection of trainers, locations, training technology, and unification of program instruction. They attributed this finding to effective communication processes, and

careful selection of personnel whose knowledge of western management practices is extensive.

According to Fiske and Pavelchak's (1986) model, individuals and groups form either piecemeal (partially committed) or category-based (fully committed) decisions based on the perceived favorableness of the particular information or practice to achieve desired outcomes. Other pertinent factors affecting these two types of decisions are the subject's familiarity, consistency, and expectancy of a particular information or practice in assuring the desired outcomes. This model has been extended to and supported by a substantial number of empirical studies in the field of marketing (e.g., Sujan 1985; Boush and Loken 1991; Moonkyu 1994).

Sales training literature frequently mentions systematic efforts made by parent companies around the world to educate, socialize, and standardize the elements of sales training in subsidiaries' operations to improve reps' performance. Cavusgil (1990) stated that to standardize hands-on training of earth-moving equipment in various regions of the world, Caterpillar provides four major central training sites in strategic locations such as Brazil, Japan, Australia and Malaga, Spain. Similarly, in developing a broad global selling philosophy, Eastman Chemicals familiarizes over 200 sales reps each year at the US location with such topical areas as business etiquette and corporate culture (Keater 1994). In addition to the above examples, Intel Corporation formed multinational partnerships with a local training society to standardize its core training without neglecting foreign countries' cultural differences. The partnerships help Intel deal with the exchange of training information and dissemination of training technology issues (Odenwald 1993). Due to the above mentioned familiarities and technology facilities,

MNCs do have a higher tendency to *favorably perceive* the overall phases of sales training practiced by their parent companies. Thus, this helps explain why subsidiaries' *full commitment* toward their parent companies' sales management/training practices are common.

In contrast, Erffmeyer et al. (1993) found that domestic Saudi companies reported a significantly lower percentage of time and budget in planning, implementation, and evaluation of sales training activities than their American counterparts. This implies that at the time of the research, domestic companies in Saudi were only *less committed* to the western sales training practices as compared to their MNCs counterparts. Consistently in another study, Honeycutt et al. (1999) reported a significantly higher percentage of global firms in China adopted higher levels of sales training evaluation than domestic firms. Thus, when compared to MNCs in China, it is again clear that domestic firms *perceived less favorably* the western sales training practices -- possibly due to cultural barriers.

Thus, based upon the above arguments, the following hypotheses are forwarded:

H2: In Malaysia, compared to domestic firms' sales managers, MNCs' sales manager perceived significantly greater firm commitment toward the following important sales training tasks:

- a) perceived adequacy of sales training planning and evaluation;
- b) perceived adequacy of sales training organization; and
- c) perceived adequacy of sales training directing.

Hypothesis 3:

Despite the high cost of sales training, there remains a paucity of empirical research on the effects of effective sales training programs on sales trainees' personal selling outcomes (Dubinsky 1980; Dubinsky 1981). To date, only Dubinsky (1996) has conducted an empirical study on the determinants of effective sales training programs

outcomes. Of all eight hypothesized relationships, Dubinsky found that only rate of product obsolescence experienced by firms has a positive and significant relationship on sales training program outcomes. He attributed the lack of empirical support of his study to the exclusion of other qualitative variables which he recommended for future research endeavors.

Earlier, Dubinsky (1981 p.135) urged future researchers to shift from a quantitative approach to consider a qualitative approach in researching and measuring the explanatory variables of effective sales training outcomes. Dubinsky (1981; 1996) asserts that information on factors that determine effective sales training program outcomes can be of use in three ways. First, it can help organizations validate proportions of organizational training tasks and policies that are related to the increase of skills, knowledge, and attitudes of sales trainees. Second, the magnitude and direction of the relationships can help trainers to make accurate decisions regarding the maintenance, addition, and/or deletions of current training tasks/programs that improve overall organizations' objectives. Third, the net gain in determining favorable training outcomes is to evaluate the unbiased opinions and perceptions of sales trainers and trainees toward current (and previous) sales training programs for future development of training investments.

This dissertation proposes to empirically test the qualitative factors that can explain effective sales training outcomes. Many articles have assumed the existence of some form of association between effective employment of the different elements of sales training programs and an achievement of favorable sales training outcomes: e.g, budget requirements (El-Ansary 1993); needs assessment activities (Erfmeyer, Russ and Hair

1991); top management support and inter-departments coordination of objectives setting (Szymanski 1988; Honeycutt, Howe and Ingram 1993; Honeycutt, Ford, and Tanner 1994) selecting proper training methods and contents (e.g., Dubinsky and Barry 1982; Hopkins 1978; Coppett and Staples 1980; Honeycutt et al.1987; Anderson, Mehta, and Strong 1997); and adoption of higher level of evaluation techniques (Kirkpatrick 1977b; Honeycutt and Stevenson 1989; Artia 1998).

The basic premise of these articles lies in the notion that the higher frequency or commitment of sales organizations in implementing effective sales training elements, the higher the tendency for those organizations to achieve favorable training results. Commitment in implementing effective sales training tasks (activities) can be operationalized by the following qualitative variables: perceived adequacy of sales training planning and evaluation, perceived adequacy of sales training organization, and perceived adequacy of sales training directing. When sales training programs are implemented effectively, these qualitative variables (or commitments) can improve a sales manager's performance (Anderson, Mehta, and Strong 1997).

Consistently, due to a strong tendency for MNCs to stress higher commitment to the implementation of sales training programs than their domestic counterparts (Cavusgil 1990; Erffmeyer et al. 1993; Keater 1994; and Honeycutt et al. 1999); MNCs' sales manager in this study will have a stronger tendency to experience performance improvement when compared to their domestic counterparts. Based on these arguments, the following hypotheses are stated:

- H3: In Malaysia, compared to domestic firms, MNCs will report a positive and stronger relationship between each of the following perceived sales training tasks and perceived sales managers' performance:**

- a) perceived adequacy of sales training planning and evaluation;
- b) perceived adequacy of sales training organization; and
- c) perceived adequacy of sales training directing.

Hypothesis 4:

Based upon the conceptual and empirical sales management/training studies cited in chapter two, this study's research framework also suggests that different perceptions toward the overall sales training program can be associated with the following demographic variables: a) industry type (e.g., Hopkins 1987; Hill and Still 1990; Hill, Still, and Boya 1989), b) budget availability (El-Ansary 1993; Al-Bahar et al. 1996), and c) degree of top management support (Honeycutt 1986, Honeycutt, Ford, and Tanner 1994; Al-Bahar et al. 1996).

Hopkins (1978) reported that the consumer goods industry varies significantly from industrial goods industry with regard to sales training program length. The former was reported to have a much shorter sales training length than the latter. Hill, Still, and Boya (1989) acknowledged few differences in sales policies and practices (including training) of MNCs from the consumer goods industry, when compared to MNCs from other industries such as: industrial goods, pharmaceutical, and electronic data processing. The researchers attributed these differences to the fact that the consumer goods industry must be more cognizant of local culture and formulate their sales policies (such as sales training programs) based on local marketing strategies.

Unlike the consumer goods industry, standard product features and low product differentiation for industrial, pharmaceutical and electronic data processing industry, has enabled sales policies (including training) of these industries to be more uniform across the world (Hill, Still and Boya 1989). In other words, compared to the consumer goods

industry, there is a tendency for the industrial goods industry to receive less cultural challenge in the planning, organizing, directing, and evaluating of their sales training programs. Thus, the lack of cultural impediments and ability to rely on the home office's sales training methods and content help them to perceive their overall sales policies and practices (such as sales training task) as being highly adequate in comparison to the consumer goods industry (Hill, Still and Boya 1989; Hill and Still 1990).

Similarly, based upon the arguments made by related studies mentioned in the literature review section, sales organizations with high sales training budget provisions and strong top management support, will perceive their overall sales training programs as being more adequate than firms which provide low sales training budget and lack of top management support (Honeycutt 1986; El-Ansary 1993; Honeycutt, Ford, and Tanner 1994; Al-Bahar 1996). Thus, based upon the above mentioned studies, the following hypotheses are proposed:

- H4: There is a significantly higher effect of each of the following demographic variables on the perceived adequacy of the overall sales training program for sales organizations in Malaysia:
- a) industry type;
 - b) budget availability; and
 - c) existence of top management support.

Summary of Hypotheses

The following are a summary of the 14 hypotheses to be empirically tested in this dissertation research:

- H1a: MNCs practice significantly higher level in the needs determination phase than domestic firms in Malaysia.
- H1b: MNCs practice significantly higher level in the objective setting phase than domestic firms in Malaysia.

- H1c: MNCs practice significantly higher level in program methods than domestic firms in Malaysia.
- H1d: MNCs practice significantly higher level in program content than domestic firms in Malaysia.
- H1e: MNCs practice significantly higher level in the evaluation phase than domestic firms in Malaysia.
- H2a: MNCs' sales managers perceive significantly greater firm commitment in perceived adequacy of sales training planning and evaluation than domestic firms' sales managers in Malaysia.
- H2b: MNCs' sales managers perceive significantly greater firm commitment in perceived adequacy of sales training organization than domestic firms' sales managers in Malaysia.
- H2c: MNCs' sales managers perceive significantly greater firm commitment in perceived adequacy of sales training directing than domestic firms' sales managers in Malaysia.
- H3a: The relationship between perceived adequacy of sales training planning and evaluation and perceived sales manager's performance is positive and stronger for MNCs than domestic firms in Malaysia.
- H3b: The relationship between perceived adequacy of sales training organization and perceived sales manager's performance is positive and stronger for MNCs than domestic firms in Malaysia.
- H3c: The relationship between perceived adequacy of sales training directing and perceived sales manager's performance is positive and stronger for MNCs than domestic firms in Malaysia.
- H4a: *Industrial goods industries* perceive a significantly higher perceived adequacy of the overall sales training program than *Consumer goods industries*, in Malaysia.
- H4b: Sales organizations with *high sales training budget provisions*, perceive a significantly higher perceived adequacy of the overall sales training program than sales organizations with *low sales training budget provision*, in Malaysia.
- H4c: Sales organizations with *high levels of top management support* to sales training, perceive a significantly higher perceived adequacy of the overall sales training program than sales organizations with *low levels of top management support* to sales training, in Malaysia.

Research Design Overview

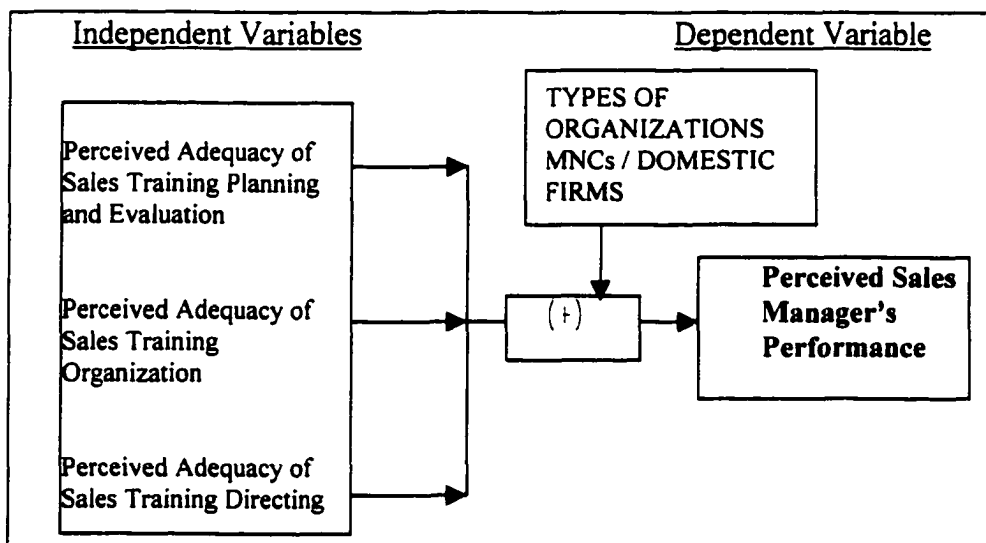
This study is designed to present the findings from an empirical investigation of sales training practices of both MNCs and domestic firms in Malaysia. The main objective of this study is to empirically compare and contrast the difference(s) between MNCs and domestic firms in terms of the following sales training practices.

First, the study measures the differences of both groups' current state of sales training practices. As stated previously, so far, only two empirical studies have been conducted that compare sales training practices of both MNCs and domestic companies in Saudi Arabia (Erffmeyer et al. 1993) and China and Slovakia (Honeycutt et al. 1999). While the findings in both studies consistently report that MNCs differ significantly from domestic companies in terms of their sales training objectives, program length, content, and evaluation procedures; two other sales training variables -- need assessment and training methods -- have not been compared between the two groups. Thus, as described in the research framework (Figure 3), this study attempts to measure the differences in the current sales training practices of both MNCs and domestic firms in Malaysia (i.e., need assessment, objective setting, training content and method, and evaluation procedures). (Hypotheses 1a to 1e).

Second, as described in Figure 3, this study also aims to empirically test the perceptual differences toward such important sales training tasks as: perceived adequacy of sales training planning and evaluation, perceived adequacy of sales training organization, and perceived adequacy of sales training directing of the two groups (Hypotheses 2a to 2c).

Third, as described in Figure 4 below, a stronger positive relationship is posited between each of the following qualitative independent variable: 1) *perceived adequacy of sales training planning and evaluation*, 2) *perceived adequacy of sales training organization*, 3) *perceived adequacy of sales training directing*, and qualitative dependent variable *perceived sales manager's performance* for MNCs as compared to domestic firms. (Hypotheses 3a to 3c).

Figure 4: Relationships To Be Tested



Finally, additional analyses are conducted to measure difference(s) in perceived adequacy of the overall sales training programs of Malaysian sales organizations that were involved in the study. These analyses differentiate perceived adequacy of the overall sales training programs of sales organizations in Malaysia, based on the demographic categories stated in hypotheses 4 (a to c).

The research design uses cross-sectional data obtained from both medium and large domestic as well as multinational corporations incorporated in Malaysia. Details on the selected companies for this study is further elaborated in the sampling frame, list, and

method section of this chapter. The items included in the research instruments are based on researcher's analysis of several relevant studies in domestic and international sales training. Relevant scales from previous sales training studies are also used as research instruments. The survey instrument will be pretested to avoid any divergence of the translated version from its original meaning. To test the proposed hypotheses, data scores obtained from the two groups were analyzed using standard statistical tools such as Chi-Square Statistical Analysis, MANOVA, Exploratory and Confirmatory Factor Analysis, Ordinary Least Square Regression (OLS Regression), and One-Way ANOVA.

Measurements and Instruments Development

This section describes the items and measures variables used to operationalize the study. This study's data collection instrument is a structured multi-items questionnaire with a few open-ended questions. Instrumentation of this study consists of three sections to generate the following data:

1. Data relative to the current state of sales training practices of the two groups under study. It consists of Likert Scale items to measure the current state of need assessment, objective setting, training content employed, training method employed, and evaluation levels employed.
2. Data relative to the two groups' perception of important sales training tasks and perceived sales managers' performance. It consists of Likert Scale items to measure:
 - 1) perceived adequacy of sales training planning and evaluation,
 - 2) perceived adequacy of sales training organization,
 - 3) perceived adequacy of sales training directing, and
 - 4) perceived sales managers' performance.

3. Data concerning the two groups' organizational demographics. It consists of descriptive questions to categorize the two groups' industry type, budget availability, and existence of top management support.

Section 1: Multi-Items Relative to Current State of Sales Training Practices

The items included in section 1 of the questionnaire were derived from empirical studies by Coppett and Staples (1980); Honeycutt (1986); Honeycutt, Harris, and Castleberry (1987); Erffmeyer et al. (1991); Erffmeyer et al. (1992); El-Ansary (1993); Honeycutt, Ford, and Tanner (1994); and Honeycutt et al. (1999) as discussed below. Following Erffmeyer et al. (1991) and Honeycutt et al. (1999), instruments in this section used a five-point Likert-type response format ranging from 1 (Almost Never) to 5 (Almost Always). The range indicates the degree to which the current state (or usage ratings) of sales training practices of the two groups in the study is practiced (as described by Erffmeyer et al. [1991]).

Section 1.1 : Needs Determination Phase

Items in this section attempt to elicit the current state of *needs determination* phase of the two groups in the study. Item 1 is adapted from Honeycutt et al. (1999) with wording alteration from, "How often are you satisfied with the sales training evaluation efforts made by your firm?" to "At present, how would you rate the usage frequency of sales training need assessment efforts made by your firm?" All other items (except item 7) were adapted from Erffmeyer et al. (1991), and worded as follows:

Using the five-point scale below, please rate the Current State of your firm's sales training program based on the following Needs Determination practices:

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

1. At present, how would you rate the usage frequency of sales training needs determination efforts made by your firm?
2. Needs Determination is conducted based on upper management's/sales manager's/ personnel manager's judgement.
3. Needs Determination is conducted based on observation of salespeoples' (or marketing reps') weaknesses in skills by sales managers/ personnel managers.
4. Needs Determination is conducted based on interview with /survey of present or previous salespeople (or marketing reps).
5. Needs Determination is conducted based on interview with /survey of customers.
6. Need Determination is conducted based on training goals and objectives of our firm.
7. Need determination is conducted based on training goals and objectives of the salespeople (or marketing reps) of our firm.

 Note: Item 7 was generated based on the important finding from Coppett and Staples's (1980) study.

Section 1.2: Objective Setting Phase

Items in this section attempt to elicit the current state of the *objective setting* phase of the two groups in the study. Like the previous section, item 1 was adapted from Honeycutt et al. (1999) with wording alteration from, "How often are you satisfied with the sales training evaluation efforts made by your firm?" to "At present, how would you rate the usage frequency of sales training objective setting efforts made by your firm?" Items 2 through 4 and 6 of this section were adapted from Honeycutt (1986). Item 5 was generated based on the important finding from Honeycutt, Ford, and Tanner's (1994) study. Instruments in this section used a five-point Likert-type response format ranging from 1 (Almost Never) to 5 (Almost Always), indicating the degree to which the current state of *objective setting* of the two groups in the study is practiced. The items were worded as follows:

Using the five-point scale below, please rate the Current State of your company's sales training programs based on the following Objective Setting practices:

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

1. At present, how would you rate the usage frequency of sales training objective setting efforts made by your firm?"
2. Training objectives are established very clearly before training programs begin.
3. The training objectives set are very broad and general in nature.
4. The training objectives set are very specific and detail in nature.
5. The training objectives set are measurable and realistic in nature.
6. The training objectives set are coordinated with other departmental functions of our firm such as: marketing, finance, human resource department, and among others.
6. What is the principal objective of your company's training program for salespeople (or marketing reps)? (Please prioritize 1 to 7).

- _____ Decrease Turnover
 _____ Improve customer relations
 _____ Decrease selling cost
 _____ Improve control of sales force
 _____ Improve use of time
 _____ A combination of _____ and _____
 _____ Other(Pls Specify) _____.

Section 1.3: Training Program Methods

Items in this section aim to elicit the current state of *training program methods* of the two groups in the study. All items (except item 5) of this section were adapted from Honeycutt (1986); Honeycutt, Harris, and Castleberry (1987), and Honeycutt et al. (1999). Instruments in this section used a five-point Likert-type response format ranging from 1 (Almost Never) to 5 (Almost Always), indicating the degree to which the current state of *training program methods* of the two groups in this study is practiced. The items were worded as follows:

Using the five-point scale below, please rate the Current State of your company's sales training programs based on the following Program Methods practices:

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

1. *Lecture conference* method is used as a part of the training program method of our firm.
2. *Demonstration* method is used as a part of the training program method of our firm.
3. *Participation technique* (e.g., two-way dialogues) is used as a part of the training program method of our firm.

4. *On-the-job training* method is used as a part of the training program method of our firm.
5. *High-tech* method (eg., Computer-Aided Training) is used as part of the training program method of our firm.
6. Approximately what percentage of method (or instructions) is delivered by each of the following training methods or techniques by your firm?

Lecture
 Demonstration
 Participation techniques
 On-the-job training (OJT)
 Other (Pls Specify) _____
 100% Total

7. Who conducts the training program for salespeople (or marketing reps) in your firm?

Top Management
 Field Management
 Training Staff
 Outside Consultant
 Joint effort between _____ and _____
 _____ (Pls Specify)

Note: Item 5 was adapted from Erffmeyer, Russ, and Hair (1992).

Section 1.4: Training Program Content

Items in this section try to elicit the current state of *training program content* of the two groups in the study. All items of this section (except item 5,6,7, and 8) were adapted from Honeycutt (1986); Honeycutt, Harris, and Castleberry (1987), and Honeycutt et al. (1999). Instruments in this section used a five-point Likert-type response format ranging from 1 (Almost Never) to 5 (Almost Always), indicating the degree to which the current state of *training program content* of the two groups in the study is practiced. The items were worded as follows:

Using the five-point scale below, please rate the *Current State* of your company's sales training programs based on the following *Program Content* practices:

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

1. The topic on *company information* is designed as part of the training content of our firm.
2. The topic on *product information* is designed as part of the training content of our firm.
3. The topic on *market information* is designed as part of the training content of our firm.
4. The topic on *sales procedures* is designed as part of the training content of our firm.
5. The topic on *industry information* is designed as part of the training content of our firm.
6. Our firm's sales training content is designed such that selling skills topic is highly integrated with product information topic.
7. Our firm's sales training content is designed to enhance salespeople's customer orientation skills.
8. Our sales training content is designed based on collaborative input from sales trainers, sales managers, and salespeople.
9. What percentage of training time is devoted to each of the following content areas by your firm?

Company Information
 Product Information
 Market Information
 Sales Procedures
 Other (Pls specify) _____

100% Total

10. What is the length of the training program, in days, to train your firm's salespeople (or marketing reps)? _____ days.

 Note: Item 5 was adapted from El-Ansary (1993); Items 6 and 7 were adapted from Rackham and Wilson (1990). Item 8 was developed from the finding of Honeycutt, Howe, and Ingram's (1993) study.

Section 1.5: Sales Training Evaluation Phase

Items in this section attempt to elicit the current state of *evaluation phase* of sales training program of the two groups in the study. All items of this section were adapted from Honeycutt (1986) and Honeycutt et al. (1999). Item 1 is adapted from Honeycutt et al. (1999) with wording alteration from, "How often are you satisfied with the sales training evaluation efforts made by your firm?" to "At present, how would you rate the usage frequency of sales training evaluation efforts made by your firm?" Instruments in this section used a five-point Likert-type response format ranging from 1 (Almost Never)

to 5 (Almost Always), indicating the degree to which the current state of *training evaluation* of the two groups in the study is practiced. The items were worded as follows:

Using the five-point scale below, please rate the *Current State* of your company's sales training programs based on the following *Training Evaluation* practices:

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

1. At present, how would you rate the usage frequency of sales training evaluation efforts made by your firm?"

At the conclusion of the training programs (Item 2 to 6):-

2. Our firm employs *program, method and instructors critique evaluation* to determine salespeople's (or marketing reps') *reaction* toward the training programs.
3. Our firm provides an *examination evaluation* to determine salespeople's (or marketing reps') *knowledge* improvement benefited from the training programs.
4. Our firm employs a *field evaluation* to determine salespeople's (or marketing reps') *attitude* change or improvement benefited from the training programs.
5. Our firm employs a *field evaluation* to determine salespeople's (marketing reps') *performance* improvement benefited from the training programs.
6. Our firm employs a *result evaluation* to measure salespeople's (or marketing reps') *result* improvement (e.g., cost reduction) benefited from the training programs.
7. State the functional position of the person who primarily responsible for evaluating your firm's salespeople (or marketing reps) training program.

Section 2: Multi-Items Relative to Perceptions of Important Sales Training Tasks

Erffmeyer et al. (1989) and Erffmeyer et al. (1992) adopted the concept of *perceived effectiveness* to measure firms' perception toward the *effectiveness* and *adequacy* of high-tech training method to achieve training objectives. In these studies, the researchers found significant differences between the mean score of *current usage* of high-tech method and *perceived effectiveness* and *adequacy* of high-tech sales training methods. The researchers commented that despite a low usage rate of high-tech sales methods, those methods were perceived as being highly effective over traditional training methods. Based on the findings of these studies, the researchers encouraged more

empirical studies to explore current versus perceived usage of important sales training methods.

Earlier, Dubinsky (1980) asserted two effective concepts to determine current and perceived usage of different personal selling process (PSP) of sales organizations. Dubinsky (1980) mentioned that current and perceived usage of different PSP steps can be determined by measuring *perceived importance* and *perceived adequacy* of each PSP step involved in a firm's sales training programs. Dubinsky (1980) asserted that while measuring the *perceived importance* of sales training programs can assist sales practitioners in determining efficient training program content; measuring *perceived adequacy* can assist them in designing a more effective program that can adequately prepare salesforce in the field. Thus, according to the researcher, measuring these two perceptions can help determine the redundancy and deficiency of a current/future sales training program of the sales organization.

As mentioned previously in the international sales training literature section, perception towards sales training programs can differ significantly (Erffmeyer et al. 1993; Honeycutt et al. 1999). Erffmeyer et al. (1993) reported that in Saudi Arabia, MNCs differ significantly from domestic companies in their *perceived importance* of planning, implementation, and evaluation efforts of sales training programs. MNCs perceived all three activities as being significantly more important with regard to time and budget spent than did their domestic counterparts. Thus, it is imperative for this study to measure the differences in perception of both MNCs and domestic companies in Malaysia.

Items in section 2 of the survey were developed based on the sales training index scale developed by Futrell, Berry, and Bowers (1984). Section 2 attempts to elicit the two

groups' perception toward important sales training tasks. It is divided into three different dimensions measuring the: 1) *perceived adequacy of sales training planning and evaluation*, 2) *perceived adequacy of sales training organization*, and 3) *perceived adequacy of sales training directing*.

Following Dubinsky's (1980; 1996) and Erffmeyer et al.'s (1989; 1992) *perceived adequacy/effectiveness* measurements, and Futrell, Berry, and Bowers's (1984) sales training indices, instruments in this section used a five-point Likert-type response format, indicating the degree of *perceived adequacy* of important sales training tasks of the two groups involved in the study.

Section 2.1: Perceived Adequacy of Sales Training Planning and Evaluation

The perceived adequacy of Sales Training Planning and Evaluation was measured by using eight items developed by Futrell, Berry, and Bowers (1984). These researchers developed a 20-items scale divided into three indices: planning and evaluation (8 items), organization (7 items), and directing (five items). The reliability measures for the planning and evaluation index was reported to be a 0.90 coefficient alpha. Since the study was originally used to measure the perception towards sales training in the banking industry, item 4 of the planning and evaluation index (c.f. Bruner and Hensel 1996 p.1023) was slightly altered from the word "bank" to "firm" to suit the current study. The items were worded as follow:

Using the five-point scale below, please indicate your *Perception* toward the *Adequacy* of the following *Planning and Evaluation* tasks of your firm's sales training program:

Strongly Disagree

1

2

3

4

5

Strongly Agree

6. The degree of managerial support for the sales training program is recognized by the firm's staff.
 7. The firm's sales training motivates our employees to want sales success.
-

Section 2.3: Perceived Adequacy of Sales Training Directing

The perceived adequacy of sales training directing was measured by using a five items developed by Futrell, Berry, and Bowers (1984). These researchers developed a 20-items scale divided into three indexes: planning and evaluation (8 items), organization (7 items), and directing (five items). The reliability measures for the sales training directing index was reported to be 0.87 coefficient alpha. Since the study was originally used to measure the perception towards sales training in the banking industry, item 3 of the sales training directing index (c.f. Bruner and Hensel 1996 p.1019) was slightly altered from the word "bank" to "firm" to suit the current study. The items were worded as follows:

Using the five-point scale below, please indicate your *Perception* toward the *Adequacy* of the following *Directing* tasks of your firm's sales training program:

<i>Strongly Disagree</i>					<i>Strongly Agree</i>
1	2	3	4	5	

1. Sales training is performed in a positive manner that encourages our salespeople.
 2. The personnel who lead our sales training sessions have the necessary background and experience.
 3. There is an individual or department in our firm responsible for developing and coordinating sales training program.
 4. The personnel who lead our sales training sessions are effective in communicating salesmanship techniques to others.
 5. The personnel who conduct our sales training are themselves skilled salespeople.
-

Section 2.4: Perceived Sales Managers' Performance

Section 2 of this questionnaire also attempts to elicit the perceived sales managers' performance of the two groups involved in the study. Adams (1965) and Anderson, Mehta, and Strong (1997) alluded that implementation of effective sales

training tasks and programs can influence sales manager's performance. Adams (1965 p. 28) listed such important benefits which sales managers can obtain from the implementation of effective sales training programs as: improved performance, experienced low rate of turnover in sales units, improved profit, reduced selling expenses, tighter cost control, increased productivity, improved employee morale, and better customer relations. In another survey on sales managers' training programs, Mehta (1997 p.62) reported that sales managers perceived sales training programs as being an important tool to facilitate the improvement of their performance.

The qualitative sales manager's performance measure for the two groups in this study is derived from using sales performance scales related to *industrial sales firms*, developed by Behrman and Perreault (1982) (Refer to p. 301 Bearden et al. 1993). The scale consists of 31 items which represent five performance areas: sales objectives, technical knowledge, providing information, controlling expenses, and sales presentation. The scale utilizes a seven points Likert-type format that ranges from 1 (need improvement) to 7 (outstanding), and reported an overall reliability score of 0.93 coefficient alpha. However, because of the mixture of two industries involved in this current research (i.e., not restricted only to industrial firms), only twenty of the thirty-one items were deemed fit to be used for this study. Since the study was originally used to measure the perceived salespeople's performance, items in this scale have also been slightly altered to suit the measurement of sales manager's performance. The mean score of all items was used to indicate perceived sales manager's performance. The twenty items were worded as follows:

Using the seven-point scale below, how do you *Perceive* the improvement in your *Performance* as a result of your salespeople (or marketing reps) attending initial sales training programs.

Need Improvement *Outstanding*
1 2 3 4 5 6 7

Upon the completion of the initial sales training, my salespeople (marketing reps) help improve my performance in the following areas (Q1 to Q20):

1. Help me to produce a high market share for our company in my territory.
2. Help me to generate a high level of dollar sales.
3. Help me to generate sales of new company products.
4. Help me to produce sales with long-term profitability
5. Help me to know the design and specification of company products.
6. Help me to know the applications and functions of company products.
7. My salespeople help facilitate my knowledge to act as special resource to the other department that need their assistance.
8. Help me to keep abreast with the company's production and technological developments.
9. Help me to carry out company policies, procedures, and programs for providing information.
10. My salespeople provide me with accurate and complete paperwork related to order, expenses, and other routines reports.
11. My salespeople provide me input on how company operations and procedures can be improved.
12. My salespeople increased my productivity by submitting required reports on time
13. My salespeople assist me to operate within the budgets set by the company.
14. My salespeople help me to control cost by reducing travel spending and lodging money.
15. My salespeople improve my performance by practicing good listening skills (i.e., listening attentively to customers to identify and understand their real concerns).
16. My salespeople improve my performance by demonstrating the ability to understand customers' unique problems and concerns.
17. My salespeople improve my performance by mastering the skills of establishing contact (networking) to develop new customers.
18. My salespeople improve my performance by practicing the skill of communicating their sales presentation clearly and concisely.
19. My salespeople help improve my performance by making effective use of audiovisuals (charts, table, and the like) to improve their sales presentations.
20. My salespeople help reduce my supervision time by working out solutions to customers' questions or objections.

Section 3: Items Relative to Demographic Profiles

This section elicits data pertaining to the two groups' demographic profiles such as: industry type, availability of budget, and top management support. The two groups were asked to identify their demographic profiles using categories provided at the end of each demographic question (Refer to survey questionnaire in Appendix A).

Classification of firms

Similar to Abdul Hamid's (1996) group classification, this study categorized MNCs-majority and domestic companies-majority based on the classification provided by Kanter (1977). Kanter explained that groups (e.g., human race, political inclination, work force type, etc.) can be separated using the following four classifications: 1) a uniform group in which all members are homogenous, 2) a skewed group, in which at least 85 percent of the members are of one dominating type (e.g., age, sex, race, nationality), 3) a tilted group in which at least 65 percent of the members share one form of particular identity, and 4) a balanced group in which the different dominating groups are equally represented.

In this study, the tilted group classification (i.e., 65 percent majority) is used as the cut-off point to discriminate between MNCs and domestic companies in Malaysia. This is due to the fact that the Malaysian government stipulates at least a 30:70 capital ownership ratio for commercial sectors operating in the country. In 1986 (see Ministry of Finance 1986 p.154) new guidelines for foreign ownership were announced. They were:

- Businesses that export between 80 to 100 percent of its production, their foreign ownership is allowed up to a 100 percent,
- Businesses that exports between 51 to 79 percent of its production, their foreign ownership is allowed up to 80 percent,

- Businesses that exports between 20 to 50 percent of its production, their foreign ownership is allowed up to 50 percent, and
- Businesses that exports less than 20 percent of its production, their foreign ownership is allowed not to exceed 30 percent maximum.

This guideline is still actively enforced to encourage high export volumes and technology transfer between domestic and foreign firms (Seventh Malaysian Plan 1996). These regulations are imposed to safeguard equitable income distribution and guaranteed protection against government expropriation. Thus, domestic and foreign firms in Malaysia can have a mixture of both domestic and foreign equity between 30 percent (minority ownership status) to 100 percent (majority ownership status), depending on their export and technological transfer intensity. Therefore, it seems justified in this study to classify firms with more than 65 percent domestic ownership as domestic firms-majority, while firms with more than 65 percent foreign ownership as MNCs-majority.

This 65 percent cut-off point also justifies the majority party that dominates the firms' operations. For instance, Poon, Ainuddin, and Affrin (1990) found that MNCs that have more than 60 percent voting power of their registered ownership in Malaysia, were found to dictate and control the management and marketing activities of their subsidiaries in that country.

Sampling Frame and Method

This study focused on the differences of both MNCs and domestic firms in terms of their sales training practices in the Malaysian environment. The prospective respondents were identified from a sampling frame provided by Malaysia's Kuala Lumpur Stock Exchange Location of Share Register (KLSELOS) 1999, Directory of the Malaysian International Chamber of Commerce (MICC) 1999. The sampling frame is a

list that provides substantial sampling units of the total population (Alreck and Settle 1985). While KLSELOSR (1999) identified the list of domestic firms, MICC (1999) identified the list of MNCs registered in Malaysia.

Because only medium and large size firms were normally registered in KLSELOSR and MICC, this directory helped ensure that the selected firms belonged to medium and large size firms. This is to be consistent with Honeycutt, Harris, and Castleberry's (1987) finding that larger companies often have more formalized sales training programs. Firms generated from both KLSELOSR and MICC's directory list were selected using systematic random sampling method.

To minimize the risk of a low response rate, firms included in the sampling list were selected from the industrial and commercial areas of Kuala Lumpur and Selangor state of Malaysia. These two states were selected due to the following reasons: 1) slightly more than fifty percent of the registered MNCs and domestic firms in Malaysia reside in these two industrial and commercial areas, 2) firms in these areas have actively participated in many academic surveys conducted by five main Malaysian universities located in their localities, 3) while services firms are concentrated in Kuala Lumpur, manufacturing-based firms are scattered in Selangor due to abundance of land area, and 4) the researcher resided in Selangor state (approximately 20 miles from Federal Territory of Kuala Lumpur) during the whole period of this research.

From both MICC and KLSELOSR lists, a total of 250 MNCs and 350 domestic firms were identified in Selangor and Kuala Lumpur. As mentioned earlier, a systematic random sampling method was employed to select firms from these sampling lists. In order to allow every firm to have an equal chance to be selected, each firm was randomly

selected with an equal interval. Due to the difference of the total number of firms listed in the two directories, an MNC was selected at every third interval and a domestic firm was selected at every fourth interval of their respective sampling list.

Firms were also contacted through phone to confirm the accurateness of the following information: 1) existence of a salesforce in Malaysia (not pure exporting firms), 2) existence of formal sales training programs, 2) domestic/foreign ownership, and 3) address and name of the contact person whom agreed to participate in the study. This screening process was performed for each selected firm to determine its eligibility.

Once a Selangor or a Kuala Lumpur firm in MICC and KLSELOS was selected, but did not appear to have a salesforce in Malaysia, or did not conduct formal sales training programs, or did not satisfy the domestic/foreign ownership status, or did not agree to participate in the study, the next firm in the sequence was selected. This systematic random sampling step was repeated until each group accumulated up to a final total of 100 eligible firms (i.e., 100 domestic firms and 100 MNCs). This allowed approximately 40 percent (100/250) and 30 percent (100/350), of MNCs and domestic firms respectively, to be randomly selected from each sampling list of this study.

The person sampled varied from the selected firms' sales managers, sales supervisors, and marketing managers (following Behrman and Perreault [1982] and Erffmeyer et al. [1993]). All of the positions mentioned above were familiar with their firms' current and perceived sales training programs of their firms. They were also chosen because of their appropriate positions to respond to questions related to the sales manager's performance.

Data Collection Method

To test the hypotheses proposed in this chapter, a final survey was personally distributed by the researcher to the sampling list generated for the study. Each survey packet included: a) two cover letters both in English and Malay language (National language of Malaysia); b) two nine pages questionnaire--each one in English and Malay language; and c) an empty envelope.

The cover letters highlight that the main purpose of the survey was to find out the differences in sales training practices between MNCs and domestic firms in Malaysia. Confidentiality of the respondents' responses and their company profiles was assured. Respondents were promised a copy of the survey results by checking the appropriate box printed in the survey questionnaire.

The researcher administered the survey questionnaire by visiting the business premises of the eligible respondents. The researcher notified the eligible firms about the time and date of his trip to the respondent's premises. Upon meeting with the contact person of the business, the researcher explained the objective of the study, distributed a copy of the questionnaire, and specified the date the questionnaire would be collected from the respondents.

Two to three days after the questionnaires were distributed, a follow-up telephone call was made to remind the respondents of the need to complete the questionnaire. The phone call also reminded the respondents the exact date the questionnaire must be collected. Upon the completion of the questionnaires, the firms were advised to place them in a sealed envelope. One week after the questionnaires were distributed, the researcher collected the sealed envelope (completed questionnaire) from the eligible

respondents. All respondents were ensured that the survey responses were to be treated with high confidentiality. The non-responding individuals received an additional week to respond to the questionnaire before they were collected from them.

For simplicity, the eligible respondents were chosen from or grouped into four different industry types: 1) consumer goods, 2) consumer services, 3) industrial goods, and 4) industrial services. Also, to insure consistency across firms in the study, each sales manager was asked to evaluate the improvement of their performance based on the benefits achieved by their salespeople from attending *initial sales training programs*, as opposed to *follow-up sales training programs*.

Translation and Pre-testing Procedure.

Due to moderate usage of Malay language in both domestic firms and some selected MNCs, translation of the questionnaire from English to Malay language is very important. A primary concern in questionnaire translation is to minimize changes in meaning from the original (or base) language to the target language (Brislin 1970). The survey was later back translated to English by well-versed bi-lingual experts to detect deficiencies and divergence from the original meanings.

Other than English and Malay language, no effort was made to translate the questionnaire to two other minority languages of Malaysia -- Mandarin and Tamil. The main reasons for not translating the questionnaire to these language are: 1) English is the official language of Malaysian corporate sectors (Zabid 1987; Poon et al. 1990; and Asma 1995); and 2) Malaysian managers of Chinese and Indian origin are very well-versed in both Malay (National Language) and English language (Chin 1974; Poon et al. 1990; Ahmad 1995; and Abdul Hamid 1996).

Two instructors at the Language Center of the Universiti Kebangsaan Malaysia who were proficient in both Malay and English performed the translation and back translation. First, a translation was made from English to Malay language by one of the instructors. Then, the second instructor back translated the questionnaire to English without looking at the original survey. The two English versions (original and back translated) questionnaire were then compared to determine its clarity and missing of meaning values. When the meaning of a word or question diverted from its original context, the differences were resolved by a two-way discussion between the two instructors and the researcher of this study.

Having translated the questionnaire, the survey was then ready to be pretested. Four sales managers, four marketing managers, and two sales supervisors (with similar experience and educational background) were randomly chosen to represent both the MNCs' and the domestic firms' group. Besides these ten Malaysian corporate figures, earlier, two professors from Old Dominion University USA with vast research experience in the subject of sales training were also selected to determine the understandability and adequacy of the questionnaire. The questionnaire was later improved and changed based upon the valuable comments and suggestions made by both Malaysian corporate figures, and sales training experts from Old Dominion University USA.

Data Analysis Techniques

MANOVA

Because of the multi-item (metric) measures of *current sales training practices* and *perceived adequacy of sales training indices* developed by (Futrell, Berry, and Bowers 1984), and discrete (non metric) measures of independent variables (domestic

and MNCs), MANOVA analysis was utilized to test hypotheses 1 (a to e) and 2 (a to c) in this study. MANOVA technique is chosen because it results in the best linear combination of all measurement items in the dependent variables, and provides an assessment of the main and interaction effect of the dependent variables (Tabachnick and Fidell 1996; Sharma 1996).

In this study, MANOVA results in the best linear combination of all measurement items in both *current sales training practices* and *perceived adequacy of sales training indices*, and provides an assessment of the main effect of MNCs and domestic firms. Because the study involves one independent variable having two factor levels (i.e., MNCs and domestic firms), no interaction effect of the independent variable were tested. The significance of the hypotheses (1 [a-e]; 2 [a-c]) were determined by significant multivariate F test, univariate F test, Pillai's, Wilk's, Hotelling's, and Roy's.

Hypotheses 1 (a to e) were tested to compare the main effect of MNCs and domestic firms with regard to the differences in their current state of sales training practices. These current sales training practices are: a) need assessment phase; b) objective setting phase; c) training program method; d) training program content; and e) training evaluation phase. Hypotheses 2 (a to c) were tested to compare the main effect of MNCs and domestic firms with regard to their differences in the perceived adequacy of sales training tasks. These perceived sales training tasks are: a) perceived adequacy of sales training planning and evaluation, b) perceived adequacy of sales training organization, and c) perceived adequacy of sales training directing.

Factor Analysis and OLS regression

To test the magnitude and sign of the relationships between the two groups' perceived adequacy of sales tasks (i.e., planning and evaluation; organization; and directing) and sales manager's performance, both Exploratory and Confirmatory Factor Analysis were utilized. The two groups' data scores on perceived adequacy of sales training tasks indices (developed by Futrell, Berry, and Bowers [1984]) and sales manager's performance (developed by Behrman and Perrault 1982), were factor analyzed to determine the validity of their underlying dimensions.

Upon performing Principal Component Analysis with varimax rotation to the data, a number of significant factors were extracted namely: 1) perceived adequacy of sales training planning and evaluation; 2) perceived adequacy of sales training organization; 3) perceived adequacy of sales training directing; and 4) a few dimensions of perceived adequacy of sales manager's performance. These factors were later used in Ordinary Least Square Regression (OLS) to test the significance of sign and magnitude of each of the following relationships:

- Perceived adequacy of sales training planning and evaluation (X1) and perceived sales manager's performances ($Y_1 \dots Y_n$) (Hypothesis 3a).
- Perceived adequacy of sales training organization (X2) and perceived sales manager's performances ($Y_1 \dots Y_n$) (Hypothesis 3b).
- Perceived adequacy of sales training directing (X3) and perceived sales manager's performances ($Y_1 \dots Y_n$) (Hypothesis 3c).

Hypotheses 3 (a to c) posited that the sign and magnitude in each of the above stated relationship was positive and stronger for MNCs than domestic firms. Since the researcher was interested in measuring the strength and sign of the each relationship separately, OLS regression technique was suitable to be utilized. Pindyck and Rubinfeld

(1991) mentioned that, unlike multiple regression which is suitable for model testing (i.e., testing a number of independent variables against one dependent variable at one time); OLS regression is more concerned with parameter estimation of the relationship of one independent variable against one dependent variable at one time. Due to the large numbers of qualitative variables that can explain the relationship between effective sales training and sales organization's performance, Dubinsky (1981;1996) asserted that performing individual parameter testing is more effective than overall model testing.

In order to obtain the differences of the individual t value for both MNCs and domestic firms, a dummy variable (1-MNC, 0-Domestic) was employed to separate each group's data scores. Each independent variable's t -value (critical versus calculated) of both MNCs and domestic firms, was compared to determine the significance of each hypothesized relationship stated in hypotheses 3 (a to c). Beta (regression coefficients) represented the strength of the hypothesized relationship between each independent and dependent variable of both MNCs and domestic firms.

One Way ANOVA

To determine whether the demographic variables have any statistical impact on perceived adequacy of the overall sales training program, One Way Analysis of Variance (ANOVA) was employed. ANOVA by each demographic variable (i.e., industry type; top management support; and budget availability), was run on the average scores of the 20 Sales training Index developed by Futrell, Berry, and Bowers (1984) for sales organizations involved in the study. The F statistical test was employed to test the significance difference in mean of perceived adequacy of the overall sales training programs, when average over each demographic variable listed in hypotheses 4 (a to c).

Summary

This chapter dealt with the research methodology. The first section discussed the research questions that the study attempted to answer. The second section presented the research framework followed by a series of research hypotheses and summary of hypotheses. The third section presented the overview of the research design. The fourth section discussed the instrumentation which included in the three sections of the questionnaire. The chapter proceeded with issues related to classification of firms, sampling frame and method, data collection method, translation and pretesting procedure, and data analysis techniques. The analysis of data, reliability and validity test, and empirical findings are presented in chapter IV.

CHAPTER IV

ANALYSES AND RESULTS

This chapter presents the empirical findings from the data analyses performed on sales training survey responses of both MNCs and domestic firms in Malaysia. This chapter is divided into three main sections. The first section provides both group characteristics and the descriptive analyses of company demographic profiles. The second section presents the findings on the current state of initial sales training programs of the two groups. The third section is devoted to statistical analyses that test all 14 hypotheses proposed earlier in chapter three. The third section also includes a discussion on reliability and validity measures of the scales used in the research. In Chapters one and three of this dissertation, six research objectives and four research questions were posed. The primary goal of the following three sections is to effectively address these objectives and research questions.

Section 1:

Analysis of Respondents' Demographic Profiles and Firms' Characteristics

1.1 Comparisons by Industry Categories

A. Multinational Companies (MNCs).

Based on the systematic sampling steps employed in Chapter three, survey questionnaires were personally delivered to 100 eligible MNCs in Malaysia. The sampling list for the MNCs' group was derived from the 1999 members' Directory of the Malaysian International Chamber of Commerce and Industry. A total of 52 questionnaires were completed by participating MNCs for a response rate of 52%. Table

6.1 presents the demographic profiles by industry and nationality categories, of MNCs respondents to this sales training survey.

Table 6.1: Percentage Distribution of MNCs by Industry and Nationality Categories

<i>Industry</i>	<i>Nationality</i>					<i>Totals</i>
	<i>Japanese</i>	<i>European</i>	<i>American</i>	<i>Singaporean</i>	<i>Canadian</i>	
Industrial Good	2 (4%)	14 (27%)	8 (15%)	1 (2%)	1 (2%)	26
Industrial Services	0	0	5 (10%)	0	0	5
Consumer Good	3 (6%)	7 (13%)	7 (13%)	1 (2%)	0	18
Consumer Services	1 (2%)	0	2 (4%)	0	0	3
TOTAL (n)	6	21	22	2	1	52

Note1: 27 MNCs reside in Kuala Lumpur

Note2: 25 MNCs reside in Selangor

The composition of both industry and nationality distribution of MNCs shown in Table 6.1 mirrors the statistics reported in the Seventh Malaysian Mid-Term Review Report (1998). The figure reported that the top three sources of foreign direct investment (FDI) in Malaysia are shared by Japan, USA, and European countries. However, the low representation of Japanese firms in this study may imply the lack of presence of their sales teams in Malaysia. Unlike US and European MNCs, Japanese MNCs tend to choose developing countries exclusively as their manufacturing sites—but not as their profit producing selling centers (Porter 1986; MacCormack 1994). Goods assembled in such countries as Malaysia, Thailand, and Indonesia are directly exported to Japan, thus leaving behind minimum sales force activities in those countries (Hill 1994). This explains the low response rate of the Japanese firms compared to the European and American firms in this sales training survey ($\chi^2 = 110.7143$, 5df, $p < 0.01$). The frequency analysis performed on the data for this group shows 52% of the participating MNCs reside in Kuala Lumpur, while the remaining 48% reside in Selangor.

B. Domestic Firms.

Like the MNCs, questionnaires were personally delivered to medium and large domestic firms incorporated in Malaysia. The sampling list for the domestic group was obtained from the Kuala Lumpur Stock Exchange Location of Share Register (KLSELOS). Of the total 100 questionnaires personally delivered to domestic firms group, 53 questionnaires were collected, thus yielding a response rate of 53%. Table 6.2 presents the demographic profiles, by industry categories of domestic firms and MNC responses to this sales training survey.

Table 6.2: Percentage Distribution of Domestic Firms and MNCs by Industry Categories

<i>Industry</i>	<i>Distribution of Domestic Firms</i>	<i>Distribution of MNCs</i>
Industrial Good	13 (25%)	26 (50%)
Industrial Services	5 (10%)	5 (11%)
Consumer Good	21 (40%)	18 (30%)
Consumer Services	14 (26%)	3 (8%)
TOTAL (n)	53	52

Note1: 34 Domestic Firms reside in Kuala Lumpur

Note2: 19 Domestic Firms reside in Selangor

The composition of higher domestic firms ($\chi^2 = 11.67328$, 3 df, $p < 0.01$) engaging in consumer (versus industrial) goods/services supports the figures reported by Malaysian Industrial Development Authority (MIDA)(1998). MIDA's (1998) yearly review on the composition of registered industries operating in Malaysia reported higher involvement of domestic firms in the consumer goods/services-related sector than in the industrial goods/services sector. The report also stated that the dominant existence of industrial goods/services sector in Malaysia is still monopolized by the MNCs. This is especially true for industries heavily dependent upon high technology sophistication and upscale skilled labors (Seventh Malaysian Plan Mid-Term Review 1998). The frequency

analysis performed on data for this group shows that 64% of the participating domestic firms reside in Kuala Lumpur, while the remaining 36% reside in Selangor.

1.2 Comparisons by Firms Size: Using Capital and Number of Employee Measures .

To eliminate contamination of small firm variance in the findings, only medium and large size firms were selected to participate in this study. Two precautionary steps were taken to ensure only medium and large firms were selected in the prescreening process. First, the list of respondents were chosen exclusively from KLSELOSR (1999) and MICC (1999), where only large firms can qualify for the listing (Poon et al. 1990). Second, a standard definition of medium and large firms operating in Malaysia, as defined by both MIDA and Small and Medium Industry Development Corporation (SMIDEC 1997), was employed.

According to MIDA's Policies and Regulations (1996) firms are classified as 'large firms' when their paid-up capital (both public- and non public-listed companies) exceed RM 2.5 million (US\$1 million). Secondly, firms with paid-up capital between RM 1 million (US\$400, 000) to RM 2.5 million (US\$ 1 million) are classified as "medium firms." Finally, firms with paid-up capital less than RM 1 million (US\$400,000) are classified as "small firms."

While the definition used by MIDA is based upon capital-related criterion, the definition of firm's size used by SMIDEC is based more upon the number of employees employed by the individual firm. SMIDEC (1997)'s Policies and Guidelines on firm's size stated that: firms are classified as "small and medium firms" when the number of their employees is less than 250. Firms with 250 to 1000 employees are classified as "large firms." Firms with over 1000 employees are classified as "very large firms."

These two measures were used in this study to group responding firms into medium and large firms. As asserted by Kotler et. al (1996) with the anticipation that respondents may be reluctant to disclose their corporate sales figures, this study did not employ annual sales as the basis to classify firms' size. Table 7.1 and 7.2 presents the profiles of responding firms according to these two size classifications.

Table 7.1: Percentage Distribution of MNCs by Size

A. Number of Employees

<i>Number of Employees</i>	<i>Distribution of MNCs' Size</i>
Less than 250 people*	3 (6%)
Between 250 to 1000 people**	35 (67%)
More than 1000 people***	14 (27%)
TOTAL (n)	52 Firms

Significant of the table: $n=52$, $\chi^2 = 30.5000$, 2 df, $p < 0.01$

* *Small and Medium*

** *Large*

*** *Very Large*

B. Capital

<i>Capital</i>	<i>Distribution of MNCs' Size</i>
Less than RM 1million (US\$ 400,000)*	0
Between RM 1 million (US\$400,000) to RM 2.5 million (US\$ 1 million)**	5 (9.6%)
More than RM 2.5 million (US\$1 million)***	47 (90.4%)
TOTAL (n)	52 Firms

Significant of the table: $n=52$, $\chi^2 = 33.92$, 1 df, $p < 0.01$

* *Small*

** *Medium*

*** *Large*

Table 7.2: Percentage Distribution of Domestic Firms by Size

A. Number of Employees

Number of Employees	Distribution of Firms* Size
Less than 250 people*	3 (6%)
Between 250 to 1000 people**	16 (30.2%)
More than 1000 people***	34 (64.2%)
TOTAL (n)	53 Firms

Significant of the table: n=53, $\chi^2 = 27.4340$, 2 df, $p < 0.01$

* *Small and Medium*

** *Large*

*** *Very Large*

B. Capital

Capital	Distribution of Firms Size
Less than RM 1million (US\$400,000)*	0
Between RM 1 million(US\$400,000) to RM 2.5 million (US\$ 1 million)**	0
More than RM 2.5 million(US\$ 1 million)***	53 (100%)
TOTAL (n)	53 Firms

χ^2 cross tabulation of the table is undetermined due to only one cell generated by SPSS 6.0

* *Small*

** *Medium*

*** *Large*

Tables 7.1 and 7.2 confirm that the distribution of size of the responding MNCs and domestic firms is almost identical. When using the total number of employees criteria for both groups six out of 105 firms (6%) grouped under the “small and medium” category; however, using the capital criteria confirmed that all six firms did not belong to the “small” category. With these comparison measures, the researcher is assured that, of the 105 firms taking part in the study, 6% of them were “medium” firms ($\chi^2 = 5.35$, 1df, $p < 0.05$) while the remaining 94% were “large’ firms($\chi^2 = 15.4036$, 2df, $p < 0.01$).

1.3 Comparisons of Other Demographic Variables

Table 8 presents the pertinent demographic variables derived from items four to ten (section D) of the survey questionnaire. These include: a) job titles (or positions); b) gender; c) education level; d) length of employment; e) age; f) race; and g) length of respondents' experience in supervising/managing sales/marketing reps.

Table 8: Percentage Distribution of Other Demographic Variables

<u>A. Title or Rank of Respondents</u>		
<u>Titles</u>	<u>MNCs</u>	<u>Domestic</u>
1. Sales Manager	35 (33.3%)	28 (26.7%)
2. Marketing Manager	11 (10.5%)	23 (21.9%)
3. Sales Supervisor	6 (5.7%)	2 (1.9%)
N=105	$\chi^2 = 7.0041, 2 \text{ df}$ p significant at < 0.05	
<u>B. Gender</u>		
<u>Gender</u>	<u>MNCs</u>	<u>Domestic</u>
1. Male	45 (42.9%)	45 (42.9%)
2. Female	7 (6.7%)	8 (7.6%)
N=105	$\chi^2 = 1.0571, 1 \text{ df}$ p not significant	
<u>C. Education Levels</u>		
<u>Education Level</u>	<u>MNCs</u>	<u>Domestic</u>
1. Malaysian Cert. Of Education	6 (5.7%)	3 (2.9%)
2. Bachelor Degree	27 (25.7%)	40 (38.1%)
3. Master Degree	11 (10.5%)	6 (5.7%)
4. Others	8 (7.6%)	4 (3.8%)
N=105	$\chi^2 = 6.3173, 3 \text{ df}$ p not significant	
<u>D. Length of Employment</u>		
<u>Length of Employment</u>	<u>MNCs</u>	<u>Domestic</u>
1. Less than 1 Year	1 (1.0%)	2 (1.9%)
2. Between 1 and 10 Years	33 (31.4%)	35 (33.3%)
3. Between 11 and 20 Years	13 (12.4%)	14 (13.3%)
4. 21Years and More	5 (4.8%)	2 (1.9%)
N=105	$\chi^2 = 1.7055, 3 \text{ df}$ p not significant	

<u>E. Age</u>		
<u>Age Groups</u>	<u>MNCs</u>	<u>Domestic</u>
1. Between 21 and 35 years	20 (19 %)	19 (18.1%)
2. Between 35 and 50 years	30 (28.6%)	34 (32.4%)
3. 51 year and above	2 (1.9%)	0 (9.5%)
N=105	$\chi^2 = 2.2663, 2 \text{ df}$	p not significant
<u>F. Race</u>		
<u>Ethnic Types in Malaysia †</u>	<u>MNCs</u>	<u>Domestic</u>
1. Chinese	35 (33.3%)	17 (16.2%)
2. Malay	8 (7.6%)	30 (28.6%)
3. Indian	5 (4.8%)	4 (3.8%)
4. Others	4 (3.8%)	2 (1.9%)
N=105	$\chi^2 = 19.7376, 3 \text{ df}$	p significant < 0.05
† Reflects the true composition of ethnic representation in sales related businesses as reported in <i>The Seventh Malaysia Plan</i> (p. 83, 1996)		
<u>G. Experience in Supervising Sales Reps</u>		
<u>Length of Experience</u>	<u>MNCs</u>	<u>Domestic</u>
1. Less than 1 Year	2 (1.9%)	2 (1.9%)
2. Between 1 and 10 Years	44 (41.9%)	43 (41.0%)
3. Between 11 and 20 Years	5 (4.8%)	7 (6.7%)
4. More than 21 Years	1 (1%)	1 (1%)
N=105	$\chi^2 = 0.3353, 3 \text{ df}$	p not significant

Jones and Zufryden (1982) and Zeithaul (1985) warranted that, before conclusive statistical comparisons can be made about any two groups, it is statistically important for the groups' indirect demographic variables (i.e., variables that will not directly influence the main effect of the study) to remain insignificantly different. This condition is met for this study when the chi-square analyses performed in Table 8 confirmed that both MNCs and domestic firms were represented by statistically insignificant (no difference) indirect demographic variables. However, the existence of two out of seven indirect demographic variables appeared to be significant in Table 8 (i.e., respondents' title and

ethnic composition); this influenced the researcher to include both as covariate variables in the subsequent analyses.

Using One way ANOVA tests, the difference in means of the variables under investigation between the earliest and latest respondents, were found to be not significant at the 0.05 level. Thus, response bias is not considered to be serious limitation in this study. Lastly, a comparison of each of the four industries based upon the number of responding and the non-responding firms, was also found to be not significant at 0.05 level (χ^2 p-value = 0.293). This insignificant chi-square calculation indicates that there is no difference between the responding and non-responding firms in the extent to which the four industries are represented.

1.4 Groups' Profile

Based upon the above distributions, firm characteristics, and demographic variables, the profile of MNCs' group participating in this study can be described as: 52 large-size, mainly European and American MNCs; mostly industrial goods/services firms residing in Kuala Lumpur; with average capital of more than RM 2.5 million (US\$ 1 million) and average number of employee falls between 250 and 1000; mostly represented by male sales managers of Chinese origin; between ages 35 and 50, whose length of employment with their firms and length of experience in supervising sales reps are between 1 to 10 years; and who hold a baccalaureate (or undergraduate) degree.

Similarly, from the above distributions, firms characteristics, and demographic variables, the profile for domestic group respondents can be described as: 53 large domestic firms incorporated and headquartered in Malaysia; mostly consumer goods/services firms residing in Kuala Lumpur; with average capital of more than RM

2.5 million (US\$ 1 million) and average number of employees exceeding 1000; primarily represented by male sales managers of Malay origin; between ages 35 and 50, whose length of employment with their firms and length of experience supervising reps falls between 1 to 10 years; and who also holds a baccalaureate (or undergraduate) degree.

Section 2: Current State of Initial Sales Training Practices in Malaysia

The findings of this section were generated from items one to five from Section C of the survey questionnaire. These items were designed to report the frequency analysis of both ordinal and nominal categorical data involved during the training of newly hired sales representatives in both MNCs and domestic firms. The five comparative usages of training practices that are presented in this section include: (1) training objectives; (2) training methodologies; (3) training instructors; (4) training contents (or training topics); and (5) training duration. This section also reports frequency analysis and chi-square tests on rank/title of person/s responsible for evaluating the two groups' initial sales training.

2.1 Comparisons by Principal Objectives of Sales Training Program

The measure of relative usage of principal objectives of the two groups was made in the form of close-ended statements in which respondents were requested to rank the degree of relative importance of each statement. Statements such as “decrease reps' turnover,” “improve customer relations,” “decrease selling cost,” “improve control of sales force,” “improve use of time,” and “other” were accompanied by six response categories with “1” representing “extremely important” and “6” representing “highly unimportant.” Table 9 (a-e) presents each percentage of MNCs and domestic firms'

relative usage of principal objectives, as well as whether a statistically significant difference ($p < 0.05$) exists between the percentages of the two groups.

Table 9:
Percentage Distribution and Significance of
Relative Usage of Different Sales Training Objectives

<u>a. Frequency Analysis and Cross Tabulation of</u> <u>Company Types by relative usage of "Decrease Rep's Turnover"</u> <u>As Principal Objective of Initial Sales Training.</u>		
<u>Six Response Categories</u>	<u>MNCs†</u>	<u>Domestic†</u>
1. Extremely Important	1 (2%)	6 (11.3%)
2. Highly Important	5 (10%)	4 (8%)
3. Very Important	7 (13%)	4 (8%)
4. Important	4 (8%)	6 (11.3%)
5. Not Very Important (Mean)	27 (52%)	24 (45%)
6. Highly Unimportant	8 (15%)	9 (17%)
Total	52	53
N=105	$\chi^2 = 7.13498, 5 \text{ df}, p \text{ not significant}$	
† Percentage may not total up to 100 % because of rounding		

There were no significant differences between MNCs and domestic firms in the relative usage of "decrease reps' turnover" as the principal objectives of their initial sales training program. However, Table 9 a shows that approximately one half or almost one half (52% versus 45%) of the two groups classified "decrease reps' turnover" as "not very important." This finding supports the arguments made by Miller (1980); Warren (1969); and Adams (1965) who stated the objective of initial sales training should help sales reps in mastering basic selling skills development as opposed to moulding their loyalty to reduce turnover.

**b. Frequency Analysis and Cross Tabulation of
Company Types by relative usage of "Improve Customer Relations"
As Principal Objective of Initial Sales Training.**

<u>Six Response Categories</u>	<u>MNCs †</u>	<u>Domestic †</u>
1. Extremely Important (Mean)	35 (67%)	32 (61%)
2. Highly Important	13 (25%)	10 (19%)
3. Very Important	2 (4 %)	6 (11.3%)
4. Important	2 (4%)	3 (6%)
5. Not Very Important	0	2 (3.7%)
6. Highly Unimportant	0	0
Total	52	53

N=105 $\chi^2 = 4.7165, 4 \text{ df}, p \text{ not significant}$

† Percentage may not total up to 100 % because of rounding

Table 9b shows that 100% of firms in the MNCs' group classified "increase customer relation" between "important" and "extremely important." Likewise, approximately 97% of firms in the domestic group reported a similar responses to the one belonging to the MNCs' group. Due to similar responses for this training objective (67% versus 61%), the chi-square analysis performed on the data fails to show significant proportional difference between the two groups means.

**c. Frequency Analysis and Cross Tabulation of
Company Types by relative usage of "Decrease Selling Cost"
as Principal Objective of Initial Sales Training.**

<u>Six Response Categories</u>	<u>MNCs †</u>	<u>Domestic †</u>
1. Extremely Important	2 (4%)	1 (2%)
2. Highly Important	13 (25%)	12(23%)
3. Very Important (Mean**)	6 (12%)	20 (38%)**
4. Important (Mean *)	17 (33%)*	14 (27%)
5. Not Very Important	11 (21%)	4 (8%)
6. Highly Unimportant	3 (6%)	2 (4%)
Total	52	53

N=105 $\chi^2 = 11.6603, 5 \text{ df}, p < 0.05$

† Percentage may not total up to 100 % because of rounding

Table 9c shows that higher proportion of domestic firms than MNCs (89% versus 73%) classified "decrease selling cost" between "important" and "extremely important."

The higher frequency of domestic firms than MNCs (significant at $p < 0.05$) in citing “decreasing selling cost” as a principal training objective might imply the group’s higher concern for cost-based selling.

Churchill et al. (1993) asserts that, while cost-based selling is focused on immediate gain (e.g., monitoring reps’ selling expenditure or sales expense ratio), result-based selling is more focused on establishing long-term gain (e.g. networking) in generating sales profit. Thus, a higher proportion of MNCs than domestic firms (significant at $p < 0.05$) ranked “decreasing selling cost” as “not very important” or “highly unimportant,” suggesting the group’s focus is on result-based selling.

<u>d. Frequency Analysis and Cross Tabulation of Company Types by relative usage of “Improve Control of Sales Force” As Principal Objective of Initial Sales Training.</u>		
<u>Six Response Categories</u>	<u>MNCs †</u>	<u>Domestic†</u>
1. Extremely Important	2 (4%)	1 (2%)
2. Highly Important	7 (13.4%)	13 (24.5%)
3. Very Important (Mean*)	20 (38%)*	7 (13.2%)
4. Important (Mean**)	18 (34%)	21 (40%)**
5. Not Very Important	4 (8%)	11 (21%)
6. Highly Unimportant	1 (2%)	0 (0%)
Total	----- 52	----- 53
N=105 $\chi^2 = 12.8816, 5 \text{ df}, p < 0.05$		
† Percentage may not total up to 100 % because of rounding		

The higher proportion of MNCs than domestic firms (significant at $p < 0.05$) in classifying “improve control of sales force” between “important” and “highly important” implied that most MNCs used sales training programs as one of the mechanisms to exercise control over the sales reps activities. This supports the findings of Still (1981) and Hill et al. (1986) when they found that one good way for MNCs to expedite control over reps’ selling techniques and styles at subsidiary levels is through controlling the

translation of their own sales training manuals, updating and refining training methods, and scrutinizing the content of training materials.

On the other hand, the higher proportion of domestic firms than MNCs (significant at $p < 0.05$) classifying “improve control of sales force” between “not very important” and “highly unimportant” implies that measures other than sales training (perhaps cost analysis) are more commonly used as control measures by firms belonging to the domestic group.

<u>e. Frequency Analysis and Cross Tabulation of Company Types by relative usage of "Improve Use of Time" as Principal Objective of Initial Sales Training.</u>		
<u>Six Response Categories</u>	<u>MNCs†</u>	<u>Domestic†</u>
1. Extremely Important	4 (8%)	1 (2%)
2. Highly Important	16 (31%)	14 (26%)
3. Very Important	8 (15%)	8 (15%)
4. Important (Mean)	15 (29%)	18 (34%)
5. Not Very Important	9 (17%)	10 (19%)
6. Highly Unimportant	1 (2%)	1 (2%)
Total	52	53

N=105 $\chi^2 = 4.2495, 5 \text{ df}, p \text{ not significant}$

† Percentage may not total up to 100 % because of rounding

Table 9e presents higher percentages of both MNCs and domestic firms in classifying “improved use of time” as “highly important” training objectives. Due to high percentages (83% versus 77%) reported by the two groups in classifying this training objective between “important” and “extremely important,” the chi-square analysis performed to the data failed to note a significantly proportional difference between the mean of the two groups.

Summary : Classification of Initial Sales Training Objective by Firm Types

Table 10 below summarizes the findings from table 9 a-e. This table reports the different usage classifications of the two groups' principal sales training objective for the newly hired and the significant differences between them. Table 10 reported that, basically both groups are in agreement for all training objectives. However, MNCs seem to rank "improve sales force control" as their very important objective, while domestic firms ranked "decrease selling cost" as their very important objective.

Table 10:
Summary of Relative Usage of Principal Sales Training Objectives By Firm Types

<i>Principal Training Objectives For Newly Hired Reps</i>	MNCs	Domestic	χ^2 Significant P Value
Decrease Turnover	Highly Unimportant	Highly Unimportant	0.308 _b
Improve Customer Relations	Extremely Important	Extremely Important	0.317 _b
Decrease Selling Cost	Important	Very Important	0.031 ^a
Improve Sales Force Control	Very Important	Important	0.021 ^a
Improve Use of Time	Important	Important	0.642 _b

^a Significant at $p < 0.05$ level

_b Not enough evidence to see the difference in the proportion mean of the two groups.

2.2 Comparisons of Training Methods by Firm Types

The measure of relative usage of training methods of the two groups was made in the form of open-ended statements in which respondents were asked to rank the relative importance of each method by assigning percentages to each statement. The methods, “lecture,” “demonstration,” “participation,” “on-the-job,” and “others” were accompanied by five blank response categories total to 100%. Table 11 presents the relative percentages devoted to each method used in training newly hired sales reps by both MNCs and domestic firms in Malaysia, and significant differences between them.

Table 11: Summary of Relative Usage of Principal Sales Training Methods By Firm Types

<i>Principal Methods Used To Train Newly Hired Reps</i>	MNCs†	Domestic†	χ^2 Significant P Value
Lecture ¹	38%	32%	0.472
Demonstration ¹	11%	0	0.082 ^a
Participation ¹	12%	8%	0.410
On-the-job ¹	31%	42%	0.071 ^a

¹ 40% to 100% usage level (i.e., medium to extensive user)

^a Significant at $p < 0.10$ level

† total response for items do not add up to 100% due to multiple response for those items

These figures can be interpreted as follows: for the first row, 38% versus 32% of firms from each MNC and domestic group reported their average usage of “lecture method” between “40 to 100%” to train their newly hired. From the figures reported in Table 11 above, it is conclusive to argue that, when compared to their domestic counterparts, MNCs in Malaysia devoted a higher percentage in the usage of “demonstration method” in training their newly hired reps (significant at $p < 0.10$). On the other hand, when compared to their MNCs counterparts, domestic firms in Malaysia

devoted a higher percentage in the usage of “on-the-job method” in training their newly hired reps (significant at $p < 0.10$).

2.3 Comparisons of Training Contents by Firm Types

Table 12: Relative Comparisons of Sales Training Contents By Firm Types

<i>Training Content</i>	MNCs †	Domestic †	χ^2 Significant P Value
Company Information ¹	94%	88%	0.822
Market Information ²	52%	4%	0.000 ^a
Product Information ²	8%	46%	0.000 ^a
Sales Procedures ²	27%	27%	0.748

¹ 5% to 25% coverage level of training content (i.e., low coverage)

² 40% to 100% coverage (i.e., medium to extensive coverage)

^a Significant at $p < 0.05$ level

† total response for items do not add up to 100% due to multiple response for those items

In a similar fashion, based on the figures reported in Table 12, when compared to their domestic counterparts, MNCs in Malaysia devoted a higher percentage in the coverage of “market information” topic in training their newly hired reps (significant at $p < 0.05$). In contrast, when compared to their MNC counterparts, domestic firms in Malaysia devoted a higher percentage in the coverage of “product information” topic in training their newly hired reps (significant at $p < 0.05$).

2.4 Comparisons of Training Instructors by Firm Types

Table 13: Relative Comparisons of Training Instructors By Firm Types

<i>Trainer Types</i>	MNCs †	Domestic †	χ^2 Significant P Value
Top Management	48%	39%	0.382
Field Management	67%	83%	0.047 ^a
Training Staff	63%	62%	0.941
Outside consultant	65%	62%	0.733
Joint efforts	38%	17%	0.013 ^a

^a Significant at $p < 0.05$ level

† total response for items do not add up to 100% due to multiple response for those items

Similar to the above comparisons and based upon the figures reported in Table 13, when compared to their domestic counterparts, MNCs in Malaysia devoted a higher percentage in the usage of “joint effort” trainers for their newly hired reps (significant at $p < 0.05$). In contrast, when compared to their MNCs counterparts, domestic firms in Malaysia devoted a higher percentage in the usage of “field management” trainers in training their newly hired reps (significant at $p < 0.05$).

2.5 Comparisons of Training Evaluators and Duration by Firm Types

Table 14: Relative Comparisons of Training Evaluators and Duration By Firm Types

	MNCs †	Domestic †	χ^2 Significant P Value
Training Duration	9.4 Days	4.5 Days	0.018 ¹
Training Evaluator:			
<i>Sales Manager</i>	63%	52%	0.463
<i>Marketing Manager</i>	18%	26%	0.463
<i>Sales Trainers</i>	19%	21%	0.463

¹ Significant at $p < 0.05$ level

† total response for items do not add up to 100% due to multiple response for those items

Table 14 documents that the training duration spent by MNCs in Malaysia is almost doubled the training time devoted by the domestic firms (significant at $p < 0.05$). Chi-square analysis performed on training duration data confirmed that, MNCs spent a significantly longer training time (9.4 days) than domestic firms (4.5 days) in training their newly hired sales reps.

Chi-square analysis performed on training evaluator data confirmed that all three training evaluators (sales manager, marketing manager, or sales trainer) did not differ greatly between MNCs' and domestic firms' groups, suggesting equal representation of each evaluator type in the two groups. Finally, a cursive overview of all information gathered earlier in this section is summarized in Table 15.

Table 15: Summary of the Current State of Initial Sales Training Program in Malaysia

Current Sales Training Practices	Multinational Companies N=52	Domestic Firms N=53
1. Set Training Objectives?	Yes (Specific & Measurable) ¹ (Result-based Selling)	Yes (Cost-based Selling)
2. Objectives According to Rank	1. Improve Customer Relations 2. Improve Sales force Control ^a 3. Decrease Selling Cost 4. Improve Use of Time 5. Decrease Reps' Turnover	1. Improve Customer Relations 2. Decrease Selling Cost ^a 3. Improve sales Force Control 4. Improve Use of Time 5. Decrease Reps' Turnover
3. Other Training objectives ¹	1. Contribute to Shareholders' Value. 2. Increase Selling Skills	1. Increase Communication Skills 2. Increase Sales Revenue
4. Rank of Training Content/Topic.	1. Market Information ^a 2. Product Information 3. Sales Procedures 4. Company Information	1. Product Information ^a 2. Market Information 3. Sales Procedures 4. Company Information
5. Other Training Topics ¹	1. Time and Stress Management 2. Value-added Selling	1. Margin Protection Selling 2. Computer Skills
6. Instructional Methods	1. Demonstration ^b 2. Lecture 3. Participation 4. On-the-job	1. On-the-job ^b 2. Lecture 3. Participation 4. Demonstration
7. Other Instructional Method ¹	1. Case Study 2. Video Conferencing	1. Case Study 2. Role Playing
8. Training Duration	9.4 Days ^a	4.5 Days ^a
9. Principal Evaluator	1. Sales Manager 2. Marketing Manager 3. Sales Trainer	1. Sales Manager 2. Marketing Manager 3. Sales Trainer
10. Trainer Types	1. Joint effort ^a 2. Field Management 3. Outside Consultant 4. Training Staff 5. Top Management	1. Field Management ^a 2. Joint Effort 3. Outside Consultant 4. Training Staff 5. Top Management
11. Other Trainer Types ¹	1. Sales Director From Overseas Head-Quarters 2. Corporate Sales Trainers	1. Local University Professors 2. Corporate Head Quarter's Trainers

¹ Refer Appendix C

^a Significant at $p < 0.01$

^b significant at $p < 0.10$

Section 3: Hypotheses Testing

Introduction

While both Section One and Two report empirical findings using non-parametric tests, this section reports empirical findings using multivariate analysis. The purpose of this section is to report major empirical findings by evaluating hypotheses that were presented in Chapter three of this study. To achieve this objective effectively, the analyses of this section will be presented in the following order:

First, all hypotheses are to be grouped and tested based on specific research questions which they were built upon. Second, reliability and validity analyses of each scale involved in testing the specific group of hypotheses are discussed. Third, statistical results from the multivariate analyses are presented and elaborated upon. Lastly, results of the supported or unsupported hypothesis are summarized and presented.

3.1 Empirical Findings of Current Sales Training Practices In Malaysia:

A. First Group Hypotheses Testing.

The list below grouped the first five hypotheses under the study's first research question (RQ1): What are the similarities and differences of the current sales training practices adopted by both domestic and MNCs in Malaysia?

- H1a: MNCs practice significantly higher level in the *need determination phase* than domestic firms in Malaysia.
- H1b: MNCs practice significantly higher level in the *objective setting phase* than domestic firms in Malaysia.
- H1c: MNCs practice significantly higher level in *program methods* than domestic firms in Malaysia.
- H1d: MNCs practice significant higher level in *program content* than domestic firms in Malaysia.
- H1e: MNCs practice significant higher level in *evaluation phase* than domestic firms in Malaysia.

B. Assessment of Content Validity and Reliability of Current STP Index

To test Hypotheses 1a-e, a total of 32 items of sales training practices were used to develop Current STP Index. Following Churchill's (1979) method of assessing validity, items asked in the survey questionnaires were reviewed thoroughly from both theoretical and empirical literature of the sales training field. In addition to the above, following the method suggested by Alreck and Settle (1985), a small numbered pilot interview was conducted to assess the understanding of both sales and marketing managers toward the questions asked in the survey. According to Alreck and Settle (1985), when the number of groups to be compared in a study is almost identical in demographic characteristics, a simple pilot survey with small number of respondents representing the population is sufficient (p. 88).

Four sales managers, four marketing managers, and two sales supervisors (with similar experience and educational background) were randomly chosen to represent both MNCs' and domestic firms' group. Because each interviewee expressed his/her comprehension of the 32 items asked in the Section A of the questionnaire, no major changes in wording were made. Only such minor adjustments as improvements to the questionnaire layouts, print fonts, and paragraph spacing were made to the final version of the questionnaire. Thus, based on criteria set by both Churchill (1979) and Alreck and Settle (1985), some evidence of content validity exists in the 32 items used to test Hypotheses 1a-e of this research.

A Cronbach's Coefficient Alpha was computed to determine the internal consistency of the STP Index used in the study. According to Carmines and Zeller (1978) reliability estimates can be obtained through measure of internal consistency.

According to Nunnally (1978) the acceptable level of reliability for basic research is 0.70; however, a lower limit of 0.67 is still considered marginally acceptable. Nunnally (1978) also asserted that it is important to meet the reliability requirement because it constitutes a necessary, though insufficient, condition for validity.

Table below reports the Cronbach's Alpha computed for the Current Sales Training Practices (STP) Index used in this study. Five out of the six indices reported Cronbach Alpha values between 0.70 to 0.82. However, one of the six indices reported an Alpha value of 0.6659. While according to Nunnally's (1978) criteria, this value is only marginally acceptable, this Coefficient Alpha value is considered acceptable using Alken's (1979) criteria. Alken (1979 p. 62) stated that when a study involved with comparing "subjects between two groups" rather than "subjects within individual group," a minimum Coefficient Alpha of 0.65 is highly sufficient.

Reliability Estimates of the Current STP Index

<i>Index</i>	<i>Labels</i>	<i>Number of Items</i> ²	<i>Coefficient Alpha</i>
Sales Training Needs Determination	STND1 to 7	7	0.71
Sales Training Objective Setting	STOS1 to 6	6	0.72
Sales Training Program Method	STPM1 to 5	5	0.67 ¹
Sales Training Program Content	STPC1 to 8	8	0.82
Sales Training Evaluation	STE 1 to 6	6	0.81

¹ Rounded up Alpha value of 0.6659

² Total number of items = 32

C. Statistical Results

A multivariate analysis of variance (MANOVA) was used to evaluate Hypotheses 1a-e. MANOVA analysis provides the main effect of the two company types (MNC or domestic firm) on the linear combination in all current sales training practice items (STND, STOS, STPM, STPC, and STE). MANOVA is also effective because it controls for covariates (i.e., MANCOVA) that might suppress potential influence to the main effect of the study.

Following Sigauw and Honeycutt (1995) and Schul and Wren (1992), serious consideration was given to such covariates as: age, education levels, race, types of industry, types of respondents rank, gender, job tenure, and length of experience, prior to the final analysis. When MANOVA of sales training practices for the two groups was analyzed with these covariates, none significantly influenced the overall main effect analysis. Thus, only the main effect of the company types (MNCs or domestic firms) was considered in the final analysis of this study. Results of the statistical analysis evaluating Hypotheses 1a-e are provided in Tables 16 through 20.

I . Testing Hypothesis 1a:

Table 16: Results of MANOVA for Differences in Needs Determination Phase of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.136	2.173 ^a	0.04
Wilk's	0.864	2.173 ^a	0.04
Hotelling's	0.157	2.173 ^a	0.04
Roy's	0.157	2.173 ^a	0.04

^a Significant at $p < 0.05$

Between Subjects Effects	Mean Scores		Univariate F- Tests	
	MNCs	Domestic Firms	F-Value	Significance of F
STND1	3.500	3.301	1.151	0.286
STND2	3.730	3.547	0.976	0.325
STND3	3.903	3.622	3.192 ^b	0.077
STND4	2.884	2.981	0.228	0.634
STND5	2.865	2.226	8.543 ^a	0.004
STND6	4.173	3.830	4.359 ^a	0.039
STND7	3.480	3.547	0.095	0.759

^a Significant at $p < 0.01$

^b Significant at $p < 0.10$

The overall MANOVA model indicated that at least one significantly different practice existed in the needs determination phase of the two groups. This was shown by the significant value of all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at $p < 0.05$. The univariate F tests, on the other hand, confirmed three of the seven needs determination practices differed significantly between the two groups. MNCs reported a significantly higher mean than the domestic firms for STND5 ($F=8.543$, $p= 0.00$) and STND6 ($F =4.35$, $p =0.03$), and STND3 ($F=3.192$, $p= 0.07$).

This finding indicates that MNCs practiced higher levels of needs determination phase than their domestic counterparts in the following areas: (1) MNCs' needs determination phase was based more on input from customer surveys; (2) MNCs needs determination phase was based more on the overall firm training goals and objectives; and (3) MNCs needs determination was based more on the observation of sales reps skill weaknesses by their sales managers. Thus, from the above analysis, Hypothesis 1a (which proposed that MNCs practice significantly higher level in *needs determination phase* than domestic firms in Malaysia), was confirmed by the data.

II . Testing Hypothesis 1b:

Table 17: Results of MANOVA for Differences in Objective Setting Phase of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.131	2.469 ^a	0.02
Wilk's	0.896	2.469 ^a	0.02
Hotelling's	0.151	2.469 ^a	0.02
Roy's	0.151	2.469 ^a	0.02

^a Significant at $p < 0.05$

Between Subjects Effects	<u>Mean Scores</u>		F-Value	Significance of F
	MNCs	Domestic Firms		
STOS1	3.442	3.245	1.086	0.300
STOS2	3.961	3.773	1.176	0.281
STOS3	3.692	3.471	1.561	0.214
STOS4	3.826	3.434	4.156 ^b	0.044
STOS5	3.173	2.256	8.704 ^a	0.004
STOS6	3.269	3.396	0.328	0.568

^a Significant at $p < 0.01$

^b Significant at $p < 0.05$

The overall MANOVA model indicated that at least one significantly different practice existed in the objective setting phase of the two groups. This was shown by the significant value on all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at $p < 0.05$. The univariate F tests, on the other hand, confirmed two of the six objective setting practices differed significantly between the two groups. MNCs reported a significantly higher mean than the domestic firms for STOS5 ($F=8.704$, $p= 0.00$) and STOS6 ($F =4.156$, $p =0.04$).

This finding indicates that MNCs practiced higher levels of objective setting phase than their domestic counterparts in the following areas: (1) Sales training objectives established by the MNCs were more measurable and realistic; and (2) Sales training

objectives of MNCs were coordinated with departmental functions such as: marketing, finance, human resources, and others. Thus, from the above analysis, Hypothesis 1b (which proposed that MNCs practice significantly higher level in the *objective setting phase* than domestic firms in Malaysia), was supported.

III . Testing Hypothesis 1c:

Table 18: Results of MANOVA for Differences in Program Methods of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.070	1.495 ^a	0.19
Wilk's	0.930	1.495 ^a	0.19
Hotelling's	0.075	1.495 ^a	0.19
Roy's	0.075	1.495 ^a	0.19

^a Not significant at all conventional levels of p values.

Between Subjects Effects	<u>Mean Scores</u>		<u>Univariate F- Tests</u>	
	MNCs	Domestic Firms	F-Value	Significance of F
STPM1	3.500	3.584	0.203 ^a	0.653
STPM2	3.673	3.415	1.949 ^a	0.166
STPM3	3.788	3.773	0.007 ^a	0.933
STPM4	4.076	3.735	3.419 ^a	0.067
STPM5	3.326	3.018	1.937 ^a	0.167

^a Not significant at all conventional level of p values

The overall MANOVA model indicated that no one program method was significantly different between the two groups. This was shown by the insignificant p value in all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at all conventional levels. Similarly, the univariate F tests failed to identify any significant differences in any of the five program methods used by the two groups. Although MNCs consistently reported a higher mean than their domestic counterparts in all five training methods, these means resulted in insignificant F values.

This suggests that the two groups did not differ significantly in terms of their usage of the different sales training methods. Thus, from the above analysis, Hypothesis 1c (which proposed that MNCs practice significantly higher levels in *program methods* than domestic firms in Malaysia), was unsupported by the data.

IV. Testing Hypothesis 1d:

Table 19: Results of MANOVA for Differences in Training Program Content of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.129	1.785 ^a	0.08
Wilk's	0.871	1.785 ^a	0.08
Hotelling's	0.149	1.785 ^a	0.08
Roy's	0.149	1.785 ^a	0.08

^a Significant at $p < 0.10$

Between Subjects Effects	<u>Mean Scores</u>		<u>Univariate F- Tests</u>	
	MNCs	Domestic Firms	F-Value	Significance of F
STPC1	3.615	3.622	0.001	0.970
STPC2	3.730	3.679	0.082	0.775
STPC3	4.288	3.924	5.395 ^a	0.022
STPC4	3.826	3.660	0.787	0.377
STPC5	3.423	3.547	0.463	0.498
STPC6	3.961	3.698	1.856	0.176
STPC7	4.115	3.717	6.125 ^a	0.015
STPC8	3.634	3.339	2.029	0.157

^a Significant at $p < 0.05$

The overall MANOVA model indicated that there was at least one significant different practice existed in the program content of the two groups. This was shown by the significant values in all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at $p < 0.08$. The univariate F tests, on the other hand, confirmed two of the eight training program content used, differed significantly between the two groups. MNCs

reported a significantly higher usage mean than the domestic firms for STPC7 ($F=6.125$, $p=0.01$) and STPC3 ($F=5.395$, $p=0.02$).

This finding indicates that MNCs used higher coverage of training content than their domestic counterparts in both the topical areas of market information and customer orientation. Thus, from the above analysis, Hypothesis 1d (which proposed that MNCs practice significantly higher levels in *program content* than domestic firms in Malaysia), was supported by the data.

V . Testing Hypothesis 1e:

Table 20: Results of MANOVA for Differences in Evaluation Phase of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.053	0.910 ^a	0.491
Wilk's	0.947	0.910 ^a	0.491
Hotelling's	0.056	0.910 ^a	0.491
Roy's	0.056	0.910 ^a	0.491

^a Not significant at all conventional levels of p value.

Between Subjects Effects	<u>Mean Scores</u>		<u>Univariate F- Tests</u>	
	MNCs	Domestic Firms	F-Value	Significance of F
STE1	3.326	3.113	1.202 ^a	0.276
STE2	3.057	2.943	0.249 ^a	0.619
STE3	2.711	2.566	0.422 ^a	0.517
STE4	2.557	2.735	0.626 ^a	0.431
STE5	2.673	2.754	0.137 ^a	0.712
STE6	3.096	2.830	1.210 ^a	0.274

^a Not Significant at all conventional levels of p value

The overall MANOVA model indicated no differences in how one training evaluation practice was adopted over another by the two groups. This was shown by the insignificant p value in all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at all conventional levels. Similarly, the univariate F tests failed to show any

difference in each of the six evaluation practice used by the two groups. Although MNCs reported a higher mean than their domestic counterparts in result-based evaluation methods, this mean accounted for an insignificant F value.

This suggests that the two groups did not differ significantly in terms of their usage of different evaluation methods. Thus, from the above analysis, Hypothesis 1c (which proposed that MNCs practice significantly higher levels in *evaluation phase* than domestic firms in Malaysia), was unsupported by the data.

3.2 Empirical Findings on Sales Managers' Perceptual Difference Toward Important Sales Training Tasks:

A. Second Group Hypotheses Testing.

The list below grouped Hypotheses 2a-c under the study's second research question (RQ2): To what degree are important sales training tasks (e.g. planning, organizing, directing, and evaluating) perceived differently by both domestic and MNCs in Malaysia?

H2a: MNCs' sales managers perceive significantly greater commitment in perceived adequacy of sales training planning and evaluation than domestic firms' sales managers in Malaysia.

H2b: MNCs' sales managers perceive significantly greater commitment in perceived adequacy of sales training organization than domestic firms' sales managers in Malaysia.

H2c: MNCs' sales managers perceive significantly greater commitment in perceived adequacy of sales training directing than domestic firms' sales managers in Malaysia.

B. Assessment of Content Validity and Reliability of the Perceived Adequacy Scale Measures.

A 20-items scale was borrowed from Futrell, Berry, and Bowers (1984) to test Hypotheses 2a-c. This scale provides surrogate measures for perceived adequacy of important sales training tasks such as: 1) Perceived adequacy of sales training planning

and evaluation; 2) Perceived adequacy of sales training organization; and 3) Perceived adequacy of sales training directing.

The two procedures used to establish validity in this study were based on studies by Alreck and Settle (1985), Sekaran (1984), and Craig and Douglas (1999). The first procedure is to assess the understanding of the respondents toward the questions asked in the perceived adequacy scale (content validity). As in the case of previous needs determination scale, this perceived adequacy scale was also subjected to the same pilot interview with the sales and marketing managers and sales supervisors (Alreck and Settle 1985 p.88). Because all the interviewees expressed their comprehension of the questions asked in this scale (i.e., in Section B of the questionnaire), no major changes in wording were made.

The second validity measure employed in this study involved determining the construct validity of the scale. The assessment of construct validity of perceived adequacy scale was based on both Sekaran's (1984) and Craig and Douglas's (1999) studies. According to these researchers, when a scale is borrowed and adapted from a previous study, factor analysis must be used to assess the validity of the research instruments. Construct validity of a scale can be assessed by observing whether factors structure in the current study are grouped into similar dimensions as established by previous studies (Hair et al. 1992; Craig and Douglas 1999).

Construct Validity of Perceived Adequacy Scale.

All 20 items in the Perceived Adequacy Scale borrowed from Futrell, Berry and Bowers (1984) were factor analyzed using principal component extraction with varimax

rotation. Table 21 presents the factor structure of the scales using data secured from both domestic and MNCs in Malaysia.

Table 21: Factor Loadings of Perceived Adequacy Scale

----- FACTOR ANALYSIS -----			
SPSS for MS WINDOWS Release 6.1			
VARIMAX rotation 1 for extraction 1 in analysis 1 – Kaiser Normalization.			
VARIMAX converged in 9 iterations.			
Rotated Factor Matrix:			
	Factor 1 (PASTD)	Factor 2 (PASTPE)	Factor 3 (PASTO)
PASTD2	.81857		
PASTD5	.79247		
PASTO6	.74644*		
PASTD4	.73711		
PASTO7	.66995*		
PASTD1	.55989		
PASTO4	.52024*		
PASTD3	.46208		
PASTPE8		.78987	
PASTPE6		.76179	
PASTPE7		.74481	
PASTPE5		.67867	
PASTPE4		.62916	
PASTPE1		.58906	
PASTPE3			.66407*
PASTO2			.65396
PASTPE2			.61498*
PASTO1			.60418
PASTO5			.58350
PASTO3			.44667
N=105			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .89092			
Bartlett Test of Sphericity = 1168.9998, Significance = .00000			
Total Variance Explained by All Three Factors: 59.2%			

This exploratory factor analysis produces three significant underlying dimensions which are similar to the one reported by Futrell, Berry, and Bowers (1984). The factor solution was extracted by clean factor structure with eigen value greater than 1 for all three factors, and no cross loadings appeared to exist between all factors for value greater than 0.42. The three extracted factors were named: 1) PASTD (Perceived Adequacy of Sales Training Directing); 2) PASTE (Perceived Adequacy of Sales Training Planning and Evaluation; and 3) PASTO (Perceived Adequacy of Sales Training Organization).

However, existence of five of the 20 items (i.e., PASTO4*; PASTO6*; PASTO7*; PASTPE2*; and PASTPE3*) that did not load under their respective underlying dimensions, cautioned the researcher about evidence of low discriminant validity in these items (Tabachnick and Fidell 1996). While the suspected items with low discriminant validity can be dropped from a scale (Ferguson 1971; Alken 1979); Ullman (1996) asserted that assessment of fit index before and after deleting the items must be evaluated. If the fit index improves without the presence of the suspected items, deletion of those items is substantially justified (Ullman 1996).

To obtain the relevant fit indices for the scale, confirmatory factor analysis was performed on the data with/without the presence of five suspected items mentioned earlier. Table 22 reported the improvement of relevant fit indices after deleting the suspected items. The improvement of these fit indices justifies the exclusion of the following items from the perceived adequacy scale: 1)PASTO4; 2)PASTO6; 3)PASTO7; 4)PASTPE2; and 5)PASTPE3. This deletion also helped reduce deviation in measurement error that was not present in the original scale.

Table 22: Relevant Fit Indices Before and After Deletions of Five Items With Low Discriminant Validity

FIT INDICES	<u>Before Deletion</u>	<u>After Deletion</u>
GFI	0.762	0.853
Adjusted GFI	0.701	0.797
Incremental Fit Index	0.853	0.922
Comparative Fit Index	0.850	0.920

Having deleted the aforementioned five items, exploratory factor analysis was again performed on the data. Table 23 presents the rotated factor matrix using data with the remaining items in the scale.

Table 23: Factor Analysis of Perceived Adequacy Scale With Deletion of Five Items.

----- FACTOR ANALYSIS -----			
SPSS for MS WINDOWS Release 6.1			
VARIMAX rotation 1 for extraction 1 in analysis 1 – Kaiser Normalization.			
VARIMAX converged in 7 iterations.			
Rotated Factor Matrix:			
	Factor 1 (PASTPE)	Factor 2 (PASTD)	Factor 3 (PASTO)
PASTPE6	.76430		
PASTPE5	.73896		
PASTPE8	.73838		
PASTPE7	.73006		
PASTPE4	.68859		
PASTPE1	.59358		
PASTD2		.84404	
PASTD5		.75114	
PASTD4		.74400	
PASTD1		.62044	
PASTD3		.53197	
PASTO2			.81162
PASTO5			.72735
PASTO1			.56673
PASTO3			.48925
N= 105			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .87690			
Bartlett Test of Sphericity = 747.20475, Significance = .00000			
Total Variance Explained by All Three Factors: 61.7%			

The factor solution provided a clean factor structure with eigen values greater than 1 for all three factors and no cross loadings between factors for value greater than 0.42. All items representing the same underlying dimensions were significantly grouped under the same construct. The total explained variance increased from 59.1% to 61.2% after the deletions of the five items. The KMO remained high at 0.88 and significant at P =0.0000 showing high adequacy of sample data to be factor analyzed. Consequently, the Perceived Adequacy Scale used in this study satisfied the construct validity measures adopted by both Sekaran (1984) and Craig and Douglas (1999).

Table 24 reports the Cronbach's Alpha computed for the Perceived Adequacy Scale used in this study. All three scales reported Cronbach Alpha values between 0.77 to 0.85. This value far exceeds the standard set by Nunally (1978) of 0.70 for most basic research.

Table 24: Reliability Estimates of the Perceived Adequacy Scale

<i>Scale</i>	<i>Labels</i>	<i>Number of Items</i> ¹	<i>Coefficient Alpha</i>
Perceived Adequacy of Sales Training Planning and Evaluation	PASTPE 1,4,5,6,7,8	6	0.85
Perceived Adequacy of Sales Training Organization	PASTO 1,2,3,5	4	0.77
Perceived Adequacy of Sales Training Directing	PASTD 1 to 5	5	0.83

¹ Total number of items = 15

C. Statistical Results

A multivariate analysis of variance (MANOVA) was used to evaluate Hypotheses 2a-c. Results of the statistical analysis evaluating Hypothesis 2a-c are presented in Tables 25 through 27.

I. Testing Hypothesis 2a:

Table 25: Results of MANOVA for Differences in Perceived Adequacy of Sales Training Planning and Evaluation of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.183	3.660 ^a	0.003
Wilk's	0.817	3.660 ^a	0.003
Hotelling's	0.224	3.660 ^a	0.003
Roy's	0.224	3.660 ^a	0.003

^a Significant at $p < 0.01$

Between Subjects Effects	Mean Scores		Univariate F- Tests	
	MNCs	Domestic Firms	F-Value	Significance of F
PASTPE1	3.692	3.660	0.280	0.866
PASTPE4	3.903	3.811	0.198	0.657
PASTPE5	3.269	3.509	1.306	0.256
PASTPE6	3.038	3.679	9.958 ^a	0.002
PASTPE7	3.250	3.886	7.557 ^a	0.007
PASTPE8	3.000	3.660	8.676 ^a	0.004

^a Significant at $p < 0.01$

The overall MANOVA model indicated that at least one of the perceived planning and evaluation tasks was perceived differently by the two groups' sales managers. This was shown by the high significant value of all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at $p = 0.00$. The univariate F tests, on the other hand, confirmed that three of the seven planning and evaluation tasks were perceived differently by the two groups of sales managers. Domestic sales managers perceived significantly greater firm commitment, than did MNCs' managers, in the following planning and evaluation tasks: PASTPE6 ($F=9.958$, $p= 0.00$); PASTPE7 ($F =7.557$, $p =0.00$); and PASTPE8 ($F=8.676$, $p=0.00$).

High commitment by domestic firms to perceived planning and evaluation tasks was very surprising, especially when they scored consistently low in all levels of training practices evaluated by the tests of Hypotheses 1a-e. However, lower perception levels reported by MNC's managers might not imply MNCs' lower commitment toward these important sales training tasks. It might be the commitment standard was set too high such that MNCs sales managers perceived their firms could not commit enough to achieve it. Thus, this finding might be transpired from different standards established by

top management of the two groups leading to different sales managers' perceptual judgements.

Therefore, from the above analysis, Hypothesis 2a (which proposed that MNCs' sales managers perceive significantly *greater commitment in perceived adequacy of sales training planning and evaluation* than domestic firms' sales managers in Malaysia), was not supported by the data.

II. Testing Hypothesis 2b:

Table 26: Results of MANOVA for Differences in Perceived Adequacy of Sales Training Organization of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.105	2.948 ^a	0.024
Wilk's	0.895	2.948 ^a	0.024
Hotelling's	0.118	2.948 ^a	0.024
Roy's	0.118	2.948 ^a	0.024

^a Significant at $p < 0.05$

<u>Univariate F- Tests</u>				
Between Subjects Effects	<u>Mean Scores</u>		F-Value	Significance of F
	MNCs	Domestic Firms		
PASTO1	3.673	3.735	0.830	0.773
PASTO2	3.846	3.264	6.681 ^a	0.011
PASTO3	3.807	3.622	0.615	0.435
PASTO5	3.538	3.660	0.433	0.512

^a Significant at $p < 0.05$

The overall MANOVA model indicated that at least one of the perceived sales training organization tasks was perceived differently by the two groups of sales managers. This was shown by the highly significant value in all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at $p < 0.05$. The univariate F tests, conversely, confirmed that one of the four organizational tasks was perceived differently by the two

groups of sales managers. MNCs sales managers perceived significant greater firm commitment, than domestic firms' managers, in PASTO2 ($F=6.681$, $p<0.05$).

This finding suggests that MNCs provided higher budgets for their sales training program than their domestic counterparts. Thus, from the above analysis, Hypothesis 2b (which proposed that MNCs' sales managers perceive significantly *greater commitment in perceived adequacy of sales training organization* than domestic firms' sales managers in Malaysia), was supported by the data.

III. Testing Hypothesis 2c:

Table 27: Results of MANOVA for Differences in Perceived Adequacy of Sales Training Directing of the Two Company Types.

<u>Multivariate Tests of Significance</u>			
Tests Effects	Value	F-Value	Significance of F
Pillai's	0.113	2.519 ^a	0.034
Wilk's	0.887	2.519 ^a	0.034
Hotelling's	0.127	2.519 ^a	0.034
Roy's	0.127	2.519 ^a	0.034

^a Significant at $p < 0.05$

<u>Univariate F- Tests</u>				
Between Subjects Effects	<u>Mean Scores</u>		F-Value	Significance of F
	MNCs	Domestic Firms		
PASTD1	4.019	3.849	0.913	0.342
PASTD2	3.961	3.811	0.610	0.437
PASTD3	3.384	3.924	4.582 ^a	0.035
PASTD4	3.673	3.679	0.001	0.974
PASTD5	3.750	3.792	0.042	0.838

^a Significant at $p < 0.05$

The overall MANOVA model indicated that at least one of the perceived sales training directing tasks was perceived differently by the two groups of sales managers. This was evident by the highly significant value in all four multivariate F tests (Pillai's, Wilk's, Hotelling's, and Roy's) at $p < 0.05$. The univariate F tests, on the other hand,

confirmed that one of the five directing tasks was perceived differently by the two groups of sales managers. Domestic firms sales managers perceived significantly greater firm commitment, than did MNCs managers, in the PASTD3 ($F=4.582$, $p<0.05$).

As in the case of perceived planning and evaluation above, the high commitment of domestic firms to perceived directing task was very surprising; this could be a result of different standards by the group's top management. Consequently, from the above analysis, Hypothesis 2c (which proposed that MNCs' sales managers perceive significantly *greater commitment in perceived adequacy of sales training directing* than domestic firms' sales managers in Malaysia), was not supported by the data.

3.3 Empirical Findings on the Influence of Perceptions Towards Important Sales Training Tasks on Perceived Sales Managers' Performance

A. Third Group Hypotheses Testing.

The list below grouped Hypotheses 3a-c under the study's third research question (RQ3): To what degree does the effect of the different perceptions toward sales training tasks on perceived managers' performance differ between domestic and MNCs in Malaysia?

- H3a: The relationship between perceived adequacy of sales training planning and evaluation and perceived sales managers' performance *is positive and stronger* for MNCs than domestic firms in Malaysia.
- H3b: The relationship between perceived adequacy of sales training organization and perceived sales managers' performance *is positive and stronger* for MNCs than domestic firms in Malaysia.
- H3c: The relationship between perceived adequacy of sales training directing and perceived sales managers' performance *is positive and stronger* for MNCs than domestic firms in Malaysia.

B. Assessment of Content Validity and Reliability of the Sales Managers' Performance Scale Measures.

A 20-item scale was borrowed from Behrman and Perrault (1982) to test Hypotheses 3a-c. This scale provides the surrogate measures for perceived sales manager's performance. Similar to the case of perceived adequacy scale, this scale was also subjected to two validity procedures based upon studies of Alreck and Settle (1985), Sekaran (1984), and Craig and Douglas (1999).

The first procedure is to assess the respondent understanding of the questions asked in the Perceived Sales Manager's Performance scale (content validity). This scale was also subjected to the same pilot interview with sales and marketing managers and sales supervisors (Alreck and Settle 1985 p.88). Because all the interviewees expressed their comprehension to the questions asked in this scale (i.e., in Section B2 of the questionnaire), no major changes in wording were made.

Construct Validity and Reliability Assessment of the Sales Manager's Performance Scale.

The second validity measure employed in this study involved determining the construct validity of the scale. The assessment of construct validity of Perceived Sales Managers Performance Scale was based on both Sekaran's (1984) and Craig and Douglas's (1999) studies. According to these researchers, when a scale is borrowed and adapted from a previous study, factor analysis must be used to assess the validity of the research instruments. Since the purpose of this scale is to provide common grouping and intercorrelations among variables rather than testing a theory, exploratory factor analysis is deemed adequate to assess construct validity (Craig and Douglas 1999 p.335). Table

28 presents the factor structure, eigen values, Coefficient Alpha, and explained variance of the scales, using data secured from both domestic and MNCs in Malaysia.

Table 28: Factor Loadings of Perceived Sales Managers' Performance Scale

----- EXPLORATORY FACTOR ANALYSIS -----					
SPSS for MS WINDOWS Release 6.1					
VARIMAX rotation 1 for extraction 1 in analysis 1 – Kaiser Normalization.					
VARIMAX converged in 7 iterations.					
Rotated Factor Matrix:					
	Factor 1 (Perf 1)	Factor 2 (Perf 2)	Factor 3 (Perf 3)	Factor 4 (Perf 4)	Factor 5 (Perf 5)
PSMP12	.74336	.28950	.15135	.08304	.04997
PSMP10	.72526	.11843	.29577	.30133	.12852
PSMP13	.70385	.12621	.08733	.17685	.30605
PSMP11	.68817	.22436	.38843	.17691	.08522
PSMP9	.59480	.31116	.15150	.30473	.18935
PSMP18	.12816	.79927	.18358	.14986	.25361
PSMP17	.23575	.79769	.18427	.07655	-.02664
PSMP16	.12868	.67619	.24325	.19624	.37458
PSMP20	.49993	.61675	.17695	.04131	.08679
PSMP19	.47316	.59941	-.03276	-.00350	.31846
PSMP2	.12280	.26610	.84944	.23517	.16391
PSMP1	.27534	.07414	.82011	.17622	.03172
PSMP3	.27589	.15708	.81276	.13431	.13592
PSMP5	.21012	.00042	.12089	.82466	.15387
PSMP6	.17638	.07687	.24599	.76433	.22796
PSMP8	.29572	.49910	.12983	.58544	-.19205
PSMP7	.12585	.30975	.36805	.51069	.10511
PSMP14	.37928	.02822	.15752	.14731	.73831
PSMP15	.18091	.45056	.06053	.12722	.72970
PSMP4	.03499	.22447	.50355	.21442	.56466
Eigen Value	8.79801	1.84133	1.35929	1.21234	1.1445
Variance	44%	9.2%	6.8%	6.1%	5.7%
Cum Pct	44%	53.2%	60.0%	66.1%	71.8%
Coeff Alpha	0.87	0.86	0.89	0.78	0.74
N=105					
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .86929					
Bartlett Test of Sphericity = 1317.1853, Significance = .00000					

The exploratory factor analysis produces five significant underlying dimensions which are similar to the one that was reported by Berhman and Perrault (1982). The factor solution was extracted by a clean factor structure with eigen value greater than 1 for all five factors, and no cross loadings appeared to exist between all factors with value greater than 0.49. The five extracted factors were renamed: a) *Performance 1: Company*

Information and Policies; b) *Performance 2*: Sales Presentation and Communication Skills; c) *Performance 3*: Sales Target and Objectives; d) *Performance 4*: Product Information and Technical Skills; and e) *Performance 5*: Customer Relations Skills.

The Coefficient Alpha for each sales performance construct ranged from 0.74 to 0.87. These values exceed the criteria set by Nunally (1978) for basic research. The scale also maintained a similar overall coefficient Alpha of 0.93 to the one computed in the original scale (Berhman and Perrault 1982 p.363). The total variance explained by all five sales performance dimensions was reported to be high at 71.2 percent. Consequently, the Perceived Sales Managers' Performance scale used in this study satisfied both content and construct validity criteria adopted by Alreck and Settle (1985); Sekaran (1984); and Craig and Douglas (1999).

C. Statistical Analysis.

To analyze Hypotheses 3a-c, a composite index from the raw data score corresponding to both Perceived Adequacy and Perceived Sales Managers' Performance scales was computed. The computation of these composite indices will transform the data score into eight columns of new quantitative data labeled as: a) perceived adequacy of planning and evaluation; b) perceived adequacy of organization; c) perceived adequacy of directing; d) *Performance 1*: Company Information and Policies; e) *Performance 2*: Sales Presentation and Communication Skills; f) *Performance 3*: Sales Target and Objectives; g) *Performance 4*: Product Information and Technical Skills; and h) *Performance 5*: Customer Relations Skills.

The next step was to regress each composite data in Columns a to c separately (acting as independent variables) against each of the five composite performance

measures contained in Columns *d* through *h* (acting as dependent variables). A dummy variable of “1 for MNCs” and “0 for domestic firms” was employed in the OLS regression analysis to efficiently differentiate findings correspond to the two company types (i.e., MNCs or domestic firms).

Table 29 presents the OLS regression results showing the relationship between two groups’ perceptions of important sales training tasks and sales managers’ performance.

Table 29: Ordinary Least Square Regression Results

Independent Variables(X)	Dependent Variables (Y)				
	<i>Perf 1</i>	<i>Perf 2</i>	<i>Perf 3</i>	<i>Perf 4</i>	<i>Perf 5</i>
<i>PASTPE</i> (β_1)	0.31 ^a	0.33^a	0.20 ^a	0.17 ^a	0.22 ^a
Comptype ¹ (β_2)	1.32	1.96^b	0.66	0.86	0.83
Constant ² (β_0)	15.31	16.40	9.06	14.41	8.53
Significance of the models	F= 4.7066 p= 0.01 R-Sq 0.07	F= 6.1786 p= 0.00 R-Sq 0.10	F= 5.788 p= 0.00 R-Sq 0.10	F= 2.495 p= 0.08 R-Sq 0.04	F= 7.296 p= 0.00 R-Sq 0.12
<i>PASTO</i> (β_1)	0.42 ^a	0.53 ^a	0.43 ^a	0.34 ^a	0.32 ^a
Comptype ¹ (β_2)	0.48	0.98	0.01	0.32	0.18
Constant ² (β_0)	16.13	16.12	7.41	13.26	8.86
Significance of the models	F= 4.288 p= 0.01 R-Sq 0.07	F= 7.814 p= 0.00 R-Sq 0.13	F= 14.501 p= 0.00 R-Sq 0.22	F= 4.993 p= 0.00 R-Sq 0.08	F= 7.489 p= 0.00 R-Sq 0.12
<i>PASTD</i> (β_1)	0.44 ^a	0.41 ^a	0.27 ^a	0.30 ^a	0.32 ^a
Comptype ¹ (β_2)	0.85	1.39	0.31	0.60	0.46
Constant ² (β_0)	13.79	15.86	8.39	12.37	7.42
Significance of the models	F= 6.701 p= 0.00 R-Sq 0.11	F= 6.677 p= 0.00 R-Sq 0.11	F= 7.341 p= 0.00 R-Sq 0.12	F= 5.627 p= 0.01 R-Sq 0.12	F= 10.752 p= 0.00 R-Sq 0.17

^a t values significant at $p < 0.05$

^b t value significant at $p < 0.10$

¹ Dummy 1= MNC, 0=Domestic Firms

² All β_0 is significant at $p = 0.00$

The results revealed that the only regression that showed a significant effect of the two group’s perceptions toward sales training tasks on perceived sales managers’

performance, was the one that used *PASTPE* ($t=3.270$ $p=0.01$) as an independent variable and *Perf 2* as a dependent variable. This regression was marked by the significant value of *Comptype*(β_2) at ($t=1.937$ $p=0.055$). Other *Comptypes* (β_2) in the remaining regression equations were found to be not significant at all p conventional levels. Following Neter et al. (1996 p. 458), this regression equation can be interpreted as:

At the 90 percent confident interval, it can be concluded that, MNC sales managers on the average, tend to perceive higher improvement in performance measure (*Perf 2*) as a result of greater perception towards planning and evaluation tasks in their sales training program, than their domestic counterparts.

Thus, from the above analysis, Hypothesis 3 a (which proposed the relationship between perceived adequacy of sales training planning and evaluation and perceived sales manager's performance *is positive and stronger* for MNCs than domestic firms in Malaysia) was supported (at $p < 0.10$) by the data. This finding also provides initial evidence to sales practitioners in Malaysia showing that sales training programs can contribute toward the improvement of a sales manager's performance. The same analysis revealed that both Hypotheses 3b and 3c were not supported by the data.

3.4 Empirical Findings on The Effect of Demographic Variables on Perceived Adequacy of the Overall Sales Training Programs

A. Fourth Group Hypotheses Testing.

The list below grouped Hypotheses 4a-c under the study's fourth research question (RQ4): Do perceived adequacy of the overall sales training programs vary according to such demographic variables as: industry type; availability of budget; and top management support, for sales organization in Malaysia?

H3a: Industrial goods industries *perceive a significant higher perceived adequacy of the overall sales training program* than consumer goods industries, in Malaysia.

H3b: Sales organizations with high sales training budget provisions, *perceive a significant higher perceived adequacy of the overall sales training program* than sales organizations with low sales training budget provisions, in Malaysia.

H3c: Sales organizations with high levels of top management support to sales training, *perceive a significant higher perceived adequacy of the overall sales training program* than sales organizations with low levels of top management support to sales training, in Malaysia.

B. Assessment of Validity and Reliability of the Perceived Adequacy of the Overall Sales Training Program Scale

Perceived Adequacy Towards Important STP Tasks Scale was used to test Hypotheses 4 a-c in this study. Content validity, construct validity, and reliability assessments of the scale were discussed in detail in section 3.2b and 3.2c, respectively.

C. Statistical Analysis.

To determine whether the demographic variables have any statistical impact on perceived adequacy of the overall sales training program, a One Way Analysis of Variance (ANOVA) was employed. ANOVA by each demographic variable (i.e., industry type, top management support, and budget availability) was run against the average composite scores of the perceived sales training scale used earlier in this study (refer to Section 3.2c).

The independent variables (e.g., budget) were separately coded into two respective groups: “1” for the group which scored high in budget availability, and “2” for the group that scored low in budget availability. The cut-off separation point of the two groups for this study was adopted following El-Ansary (1993). Using a five-point scale, the researcher grouped all firms with scores between 1 and 3 into “low budget group” and the remaining 4 and 5 into “high budget group.” This similar procedure was applied to form

two separate groups of “high top management supports” and “low top management supports” in this study.

Table 30 presents the One Way ANOVA results, showing the differences in mean scores of the perceived adequacy of the overall sales training program of the three demographic group types, their univariate F test, and significant F value of the One Way ANOVA model.

Table 30: Results of One Way ANOVA Models

Between Subjects Effects	Group Types	Univariate One Way ANOVA Tests			
		Mean Scores		F-Value	Significance of F
		High Mean	Low Mean		
Perceived Adequacy of the Overall STP	H4a: (Industrial vs Cons Goods Industry)	71.632	76.232	2.8764 c	0.0929
Perceived Adequacy of the Overall STP	H4b: (Hi vs Low Budget)	76.50	68.322	7.9663 a	0.005
Perceived Adequacy of the Overall STP	H4c: (Hi vs Low Top Mgt Support)	76.789	70.875	4.829 b	0.030

^a Significant at $p < 0.01$

^b Significant at $p < 0.05$

^c Significant at $p < 0.10$

Prior to the final ANOVA analysis, ANCOVA was performed on the data set to include such covariates as: age, length of experience in supervising sales reps, types of industry and length of sales manager’s job tenure in his/her firm. None of the covariates significantly influenced the overall main effect of the demographic variables on the dependent variable, which suggest their exclusion from the final ANOVA analysis. The One Way ANOVA results revealed that two of the three hypothesized demographic variable groups showed significantly different perceptions toward the overall adequacy of their sales training programs.

Hypothesis 4b confirmed that Malaysian firms with a high sales training budget provision reported a significantly higher perception toward the overall adequacy of their sales training ($F=7.9663$ $p = 0.00$) over the firms with low budget provisions. This finding is consistent with Futrell, Berry, and Bowers (1984), El-Ansary (1993) and Al-Bahr et al. (1996), where these researchers found higher training budgets helped determine higher levels of management satisfaction toward training facilities and methods sophistication. Thus, Hypothesis 4b (which proposed that sales organizations with high sales training budget provisions *perceive a significant higher perceived adequacy of the overall sales training program* than sales organizations with low sales training budget provisions in Malaysia) was highly supported by the data.

Hypothesis 4c showed that Malaysian companies with high level top management support reported a significantly higher perception toward the overall perceived adequacy of sales training programs than firms receiving low level top management support. This finding complemented prior descriptive research, where few researchers reported that top management places large emphasis on the success or failure in a company's training programs (Gellerman 1977; Peterson 1990; and Peterson and Sullivan 1996). Thus, Hypothesis 4c (which proposed that sales organizations with high sales training budget provisions *perceive a significant higher perceived adequacy of the overall sales training program* than sales organizations with low sales training budget provisions in Malaysia), was supported by the data.

Hypothesis 4a reported that the Consumer Goods Industry in Malaysia perceived a significantly higher perception toward the overall sales training program than Industrial Goods Industry. This was a rather intriguing finding because few studies (e.g., Hill and

Still 1990; Hill, Still, and Boya 1989) in the sales training literature have suggested otherwise. Nevertheless, Hypotheses 4a (which proposed Industrial Goods Industries *perceive a significantly higher perceived adequacy of the overall sales training program* than Consumer Goods Industries in Malaysia) was not supported by the data.

Table 31 summarizes the results of hypothesis testing of this study. Chapter Five will discuss the findings of this study and their implications.

Table 31: Summary of Hypotheses Testing

Hypotheses	Significance Level	Findings
H1a	F=2.173 P=0.04	MNCs practiced significant higher levels of Needs Determination Phase in their sales training programs than did domestic firms.
H1b	F=2.469 P=0.02	MNCs practiced significant higher levels of Objective Setting Phase in their sales training programs than did domestic firms.
H1c	NS	The Two groups did not differ in their usage of sales training methods.
H1d	F=1.785 P=0.08	MNCs practiced significant higher coverage of training content (such as market information) in their sales training programs than did domestic firms.
H1e	NS	The two groups did not differ in their sales training evaluation practices.
H2a	NS	None
H2b	F=2.948 P=0.02	MNCs sales managers perceived greater firm commitment in the organizing tasks of sales training program than did domestic firms' sales managers.
H2c	NS	None
H3a	t=1.937 P=0.055	MNCs sales managers perceived a stronger and more positive relationship between perceived adequacy of planning and evaluation and their performance, than did domestic firm sales managers.
H3b	NS	None.
H3c	NS	None
H4a	NS	None

H4b	F=7.9663 P=0.00	Malaysian firms receiving higher sales training budget perceived higher adequacy towards the overall sales training programs than did firms receiving low training budget.
H4c	F=4.829 P=0.00	Malaysian firms receiving higher top management support for sales training programs, perceived higher adequacy toward the overall sales training program, than did firms receiving less top management support.

CHAPTER V

CONCLUSIONS, IMPLICATIONS, AND RECOMMENDATIONS

This chapter is organized into five major sections. The first section provides a brief review of the study, particularly its objectives and methodologies. The second section discusses the major findings of the study. The third section discusses the limitations of the study. The fourth section discusses the implications of the study. Finally, the fifth section provides suggestions for future research.

I. Brief Review

A sales training survey was conducted to address six main objectives. The first objective was to gather information from sales training literature to form a simple research framework in which the sales training practices of both MNCs and domestic firms in Malaysia could be analyzed. The first objective was achieved when the framework of the study was defined in Chapter Three of this dissertation (on page 96).

The second objective of this study was to identify how, where, why, and by whom MNCs and domestic companies in Malaysia conducted initial sales training program for their newly hired sales reps. This second objective was accomplished when the current state of initial sales training program of the two company types was described by the narrative Table 15.

The third objective of this study was to critically examine and empirically test the similarities and differences of current sales training practices employed by the two company groups in Malaysia. This objective was attained through MANOVA statistical analyses reported in Tables 16 through 20 on pages 156 and 161, respectively.

The fourth objective of the study was to examine the differences of the two company groups sales managers' perceptions toward such important tasks as planning, organizing, directing, and evaluating the initial sales training programs (STP). This objective was fulfilled through MANOVA empirical results reported in Tables 25 through 27 on pages 167 and 170, respectively

The fifth objective, which determined and assessed the strength of the relationships between each important STP task and perceived sales managers' performance (PSMP), was concluded by the OLS regression analyses reported in Table 29 on page 175. Finally, the sixth objective, which assessed the possible effects of pertinent demographic variables on perceived adequacy of the overall STP, was completed through the ANOVA statistical tests reported in Table 30 on page 178.

The primary purpose behind these six objectives emanated from two major statements presented in Chapter One: 1) To add value to the overall body of marketing knowledge by empirically testing a function of marketing phenomena, i.e., sales training practices in a developing country like Malaysia; and 2) To enhance understanding of cross-cultural sales management practices by validating the anecdotal (prescriptive and descriptive) information of sales training issues in an emerging country such as Malaysia.

II. Summary of Findings and Discussion

Fourteen Hypotheses were forwarded and tested regarding sales training practices of both MNCs and domestic firms, sales managers' perceptions, relationships between these perceptions and performance, and effects of the two groups' demographic variables on perceived adequacy of the overall STP. Of these 14, seven received full empirical support; the remaining seven received no empirical support (refer to Table 31).

Discussions and summary of findings in this final chapter are divided into four subsections. The first subsection reports and discusses findings regarding the current state of initial sales training practices of both MNCs and domestic firms in Malaysia. Reports and findings of sales managers' perceptual differences towards important sales training tasks follow this discussion. The third section discusses findings that assess the relationships between each sales manager's perception and performance types. Finally, the discussion of possible effects of demographic variables on perceived adequacy of the overall sales training programs of the two groups is presented.

A. Discussion on Current State of Sales Training Practices of Both MNCs and Domestic Firms in Malaysia

The first significant finding of this study concludes that MNCs practiced a higher level of needs determination activity than domestic firms in Malaysia. The importance of need determination phase emphasized in the MNCs' STP is supported by the following findings: 1) MNCs' needs determination is based more on input from customer surveys; 2) MNCs needs determination more significantly influences the firm's overall training goals and objectives; and 3) MNCs needs determination includes the observation of sales reps skill weaknesses by sales managers. These findings are consistent with Erffmeyer et al. (1993) who found MNCs practiced higher levels of needs determination phase than domestic firms in Saudi Arabia. In the same study, MNCs also reported more time and efforts were expended in their needs determination activities than their domestic counterparts.

The fact that MNCs based their needs determination on customer surveys, organizational goals, and observation of sales reps' weaknesses, serve as evidence that,

whenever needs determination occurred within the organizations, significant amounts of time and money were spent. These findings also serve as evidence that MNCs relied more on a systematic approach and formal methods to determine valid reps' training needs than did their Malaysian domestic counterparts. In order to effectively determine sales reps' training needs, both Erffmeyer et al. (1991) and Honeycutt et al. (1993) strongly encouraged sales organizations to rely more on systematic techniques than subjective judgement techniques.

The second significant finding of this study concludes that MNCs also emphasized higher objective setting levels than domestic firms in Malaysia. The importance of the objective setting phase emphasized in MNCs' STP is evident by the following findings: 1) sales training objectives established by MNCs are more measurable and realistic; and 2) sales training objectives of MNCs are coordinated with departmental functions such as marketing, finance, and human resource.

This finding suggests that objective setting activities of MNCs are in agreement with important suggestions made by a number of sales training scholars. In order to further enhance and improve sales training evaluation processes, Honeycutt (1996) suggested that specific, measurable, realistic, and time framed objectives must be employed by sales organizations. He asserted that specific training objectives could be effectively evaluated, due to their higher degree of precision and simplicity in measuring reps' performance. Equally important, in order to reduce redundancy and conflict in the implementation phase of a sales training programs, Honeycutt, Ford, and Tanner (1994) suggested that inter-departmental input must be obtained prior to or during the objectives setting phase of a sales training programs.

The third significant finding of this study concludes that MNCs practiced greater coverage of training content than did domestic firms in Malaysia. The higher coverage of important training content practiced by MNCs than domestic firms is evident by the following findings: 1) MNCs practiced higher coverage of market information topics in their sales training programs; 2) MNCs practiced higher coverage of customer orientation topics in their sales training programs.

A similar finding was observed when training topics of MNCs were compared to domestic firms in China. Honeycutt et al. (1999) reported that a larger percentage of MNCs in China devoted higher coverage to market information topics in their sales training program than did domestic Chinese firms. A similar finding was also revealed by Erffmeyer et al. (1993) when a similar comparison was made between the U.S. MNCs and domestic firms in Saudi Arabia.

Additionally, the percentage of time devoted to different training topics ranked by both MNCs and domestic firms in Malaysia indicated that domestic firms focused more of their training content on product knowledge than market information. This finding is also consistent with Erffmeyer et al. (1993) and Honeycutt et al. (1999), where both groups of domestic firms in Saudi Arabia and Slovakia reported higher levels of product training

The consistency of Malaysian data to both Chinese and Saudi Arabian data in regard to the market information topic is both non-conjectural and unsurprising. This is particularly true because MNCs have been reported to take greater concern in disseminating market orientation sales training content when training subsidiaries across national borders (Hill, Still, and Boya 1991).

Cavusgil (1990) reported that, in order to enhance dealers' understanding toward the parent company's market orientation, Caterpillar provided sales training programs involving such training topics as selling techniques and customer orientations. The 3M Company, Eastman Chemicals, and Texas Instruments imparted their market orientation culture and selling skills techniques by inviting executives from subsidiary levels to the company headquarters in the U.S. (Keater 1994; Keater 1995). These findings also support Siguaw, Brown, and Widing (1994), who found that the degree of a firm's market orientation significantly influenced the level of sales reps' customer orientation skills.

The fourth finding of this study establishes that both MNCs and domestic firms in Malaysia did not differ significantly in their usage of instructional methods. In other words, this study found that many similarities exist between MNCs and domestic firms in regard to their usage pattern of instructional methods. This finding is rather surprising because evidence from the sales training literature describes a variety of effective available training methods that can be used by MNCs to educate their sales team across national borders (Odenwald 1993; Cavusgil 1990; Keater 1994;1995).

However, based on the percentage of time devoted to different instructional methods ranked by each group, evidence indicates that MNCs report a higher percentage usage of the formal demonstration methods. Domestic firms, on the other hand, reported a higher usage of formal on-the-job training methods. It appears that domestic firms select on-the-job training methods over demonstration methods due to the lower financial costs.

Conversely, demonstration methods appear to be more expensive than on-the-job training because employing this method required: a) both sales managers and reps to

spend a significant portion of their paid hours away from the selling field (Lidstone 1987); and b) high monetary expense involving overhead costs such as instructors' salary, classrooms rent, refreshments, printing costs, etc., all of which must be incurred to guarantee the effectiveness of the delivery (Newstrom 1975; Weinstein and Kasl 1982).

The fifth finding of this study confirms that both MNCs and domestic firms in Malaysia do not differ significantly in their evaluation practices. This finding is consistent with Erffmeyer et al. (1993) where both MNCs and domestic firms in Saudi Arabia spent the least amount of time and money on sales training evaluation activities. This finding indicates that sales training evaluation probably receives less attention than planning and implementation training activities practiced by MNCs and domestic firms in Malaysia.

Although the univariate F tests failed to show a significant difference for the result-based evaluations between the two Malaysian groups, the MNC group reported a higher mean than their domestic counterparts for result-based evaluation method. This finding is comparable to Honeycutt et al. (1999) who found higher percentage of MNCs engaged in result-based evaluations than did domestic Chinese firms. This finding also implies that MNCs were more concerned with higher levels of evaluation activities than domestic firms in Malaysia.

B. Discussion on Sales Managers' Perceptions Towards Important Sales Training Tasks for Both MNCs and Domestic Firms in Malaysia

The sixth significant finding of this study is that sales managers from the MNC group perceived greater firm commitment to the organizational tasks of their sales training programs than did the domestic firms. Sales managers of the MNC group perceived that higher commitment was given to the organization of sales training tasks, particularly to budget provisions.

This finding supports previously cited literature that reported that higher investment of sales training dollars have been spent by such western conglomerates as Caterpillar, 3M Company, Texas Instrument, Eastman Chemicals, across national borders (Cavusgil 1990; Keater 1994; 1995). This finding also supplements the anecdotal statement made by both Gestetner (1974) and Flynn (1987) who described the increasing importance of sales training becoming a corporation's strategic weapon due to the growth of global market systems.

The fact that sales managers from the domestic firms group perceived greater firm commitment toward such tasks as planning, directing, and evaluating sales training programs than their MNC counterparts, is surprising. It is especially so when they reported significantly low levels in all major elements of sales training practices (i.e., needs determination, objective setting, program content, program methods, and evaluation practices).

Because the perceived adequacy toward important sales training tasks actually measured sales manager's 'state of mind' as opposed to the 'actual firms behavior,' some discrepancy in perceptions (Dubinsky 1980 p.326) might be embedded in the data secured

from the two groups. Thus, two possible explanations can be offered to explain why perceptual variance exists between the two groups.

First, based on findings of previous research of management philosophy in Malaysia, managers with high collectivist values might consider collective organizational objectives as being more important than their personal objectives (Abdul Hamid 1996; Hofstede 1991; Asma 1994; Zabid 1987). When in doubt Malaysian managers with high collectivist values tend to safeguard their organizational pride and image rather than use the opportunity to make personal judgements (Asma 1992; Abdul Hamid 1996; Zabid 1987; Saracheck et al. 1984). Thus, high firm commitment reported by domestic sales managers towards planning, directing, and evaluating tasks of sales training program, might be an act to safeguard the organization's overall image rather than reflecting sales managers' true perceptions. This normative finding might also imply that sales managers from MNCs group in Malaysia are more inclined to individualistic values than their domestic counterparts.

Second, lower perception levels reported by MNC managers toward important tasks such as planning, directing, and evaluating the sales training program, need not imply MNCs lower commitment towards accomplishing those tasks. It might be that the standard set by the top management was too unrealistic, such that sales managers from that group perceived themselves as less equipped to accomplish it.

C. Discussion on Relationships Between Sales Manager's Perceptions Toward Important Sales Training Tasks and Perceived Sales Managers Performance in Both MNCs and Domestic Firms in Malaysia

The seventh significant finding of this study concludes that sales managers from the MNC group tend to perceive higher improvement in their performance as a result of greater firm commitment towards planning and evaluation tasks of their sales training programs. In general, MNCs sales managers' sales presentation and communication skills are positively influenced by greater firm commitment towards planning and evaluation tasks of sales training programs.

This finding suggests a direct link between effective sales training planning and evaluation, and improvement of sales manager's sales presentation and communication skills in Malaysia. It also confirms that this effect is experienced even more strongly by sales managers from the MNC group than domestic sales managers. This finding may have resulted from the continuous input offered by MNCs in such important tasks as planning, controlling, and evaluating the training activities of their sales team across national borders (Hill, Still and Boya 1991 p. 20; Erffmeyer et al. 1993; Honeycutt et al. 1999).

The finding also showed evidence that perceived adequacy of important sales training task measures did not significantly contribute to the improvement in four other sales managers' performance measures, i.e., company information and policy, sales target and objectives, product information and technical skills, and customer relation skills for both company groups. Nonetheless, the predicted positive signs and magnitudes of all beta coefficients for both MNCs and domestic groups were all shown to be correct (refer to Table 29). This forms a general opinion that can be interpreted as follows: a positive

unit change in any given perceived adequacy measure will improve the corresponding sales managers' performance measure with a similar positive sign and magnitude for both company groups in Malaysia.

D. Discussion on Possible Effect of Demographic Variables on Perceived Adequacy of the Overall Sales Training Program for Both MNCs and Domestic Firms in Malaysia

The eighth significant finding of this study concludes that Malaysian firms with high budget provisions perceived higher adequacy toward their overall sales training program than firms with low budget provisions. This finding is consistent with Dubinsky and Barry (1982), El-Ansary (1993) and Al-Bahar et al. (1996), who found that higher training budgets help influence increased performance and satisfaction levels of managers towards the adequacy of their sales training programs.

The ninth significant finding of this study is that Malaysian firms having high upper management support, perceived higher adequacy towards their overall sales training programs than firms with low upper management support. As mentioned previously, this finding complements prior research, where researchers argued that top management places significant emphasis on the success or failure of a training programs (Gellerman 1977; Peterson 1990; and Peterson and Sullivan 1996). As reported in the cross-cultural sales training literature, findings eight and nine provide evidence that the smooth running of subsidiary training activities may be a function time and money (Weiss and Bloom 1990).

Besides these findings, consumer firms reported higher perceived adequacy of their overall sales training program than industrial firms in Malaysia. This may imply that the consumer firms exist in more dynamic and challenging selling environments than

industrial firms (refer to Honeycutt, Howe, and Ingram 1993 p. 121). It may also be that constant upgrading of sales training programs with the latest selling techniques in that industry might have influenced sales managers to score high perceived adequacy of the overall sales training programs.

Even though findings of this last subsection offer no great surprise to lay persons, practitioners, and the academics community, by virtue of being empirically verified, they make a reasonable contribution to the marketing body of knowledge. Lastly, the fact that many results of this study were similar with the ones conducted in the western world is both exciting and insightful. In some regards, these findings demonstrate how both MNCs and domestic firms in Malaysia have embraced western business practicalities, which are practiced by the community of the modern business world.

III. Limitations of the Study

Like all empirical studies, this study is not without limitations. First, because the sample of this study comprises cross-industry categories, the findings derived from this study cannot be generalized to a specific industry type. Perhaps, as Erffmeyer et al. (1993) warranted, sales training studies involving firms from a single industry with similar selling activities and product offering, should be used. The univariate F tests of this study can be further improved based on responses given by firms that shared similar characteristics.

Second, although the index used to measure the current initial state of sales training practices (Section A of the questionnaire) satisfied both reliability and content validity measures, the construct validity of that scale remains unknown. Kerlinger (1986) asserted that construct validity must be investigated whenever no criterion or

concept exists to define a new measure. Sekaran (1984) said that the test of construct validity enhances the clarity of a scale, avoids conceptual ambiguity, and determines the accuracy of the test and retest measures. Thus, a small pilot test to determine the psychometric properties of the current state of initial sales training should be established during the pretest of a survey.

Lastly, while most of the concepts and terms used in the questionnaire were understood by the sales and marketing managers in Malaysia, the operational definitions were developed using concepts initiated by academicians from the United States. Craig and Douglas (1999) mentioned that, while scales developed in the US can be extended to other cultures in the world, the eccentricity of the scale may still be inherited. Thus, to determine their accuracy, results of this study must be cautiously evaluated by the researcher.

IV. Implications of the Study

The results of this sales training study offer several interesting implications. First, findings on the current state of sales training practices showed that domestic groups scored consistently low in all five elements of sales training practices compared to the MNC group in Malaysia. These findings suggest that less focus has been given by domestic firms to their sales training programs especially in the areas of needs determination, objectives setting, and training content.

Following are some suggestions that can improve the current levels of sales training practices of domestic firms in Malaysia. Needs determination of the group should be based more on customer surveys, sales rep weaknesses, and the overall firms'

training goals and objectives. This finding suggests that domestic firms still rely more heavily upon subjective techniques to determine training needs than do MNCs.

Domestic firms must also set sales training objectives that are more realistic and measurable. Also, before these objectives are set, input from other functional areas such as marketing, human resource, and finance must be obtained. This will allow the training objectives not only to be easily evaluated, but, also, to be in concert with the other functional areas of the organization.

Besides needs determination and objective setting practices, domestic firms should consider adding more market orientation topics to their sales training programs. According to suggestions made by Rackham and Wilson (1990) and Grover (1997), one way to do this is to integrate the product training topics that are already being practiced by domestic firms, with more selling skills topics. This approach will help expand domestic sales reps' knowledge of their product offerings and it will increase their understanding of the skills of networking and building long-term relationships with customers (Ayrer 1995, Liston 1996, Brewer 1997).

The second implication of this study is that both MNCs and domestic firms are comparable in the usage pattern of instructional methods of their sales training programs. The evidence that mean scores of instructional methods of the two groups fall between "3" and "4" on the five rating scale, infers that both groups reported high usage frequency in the different instructional methods surveyed in the questionnaire.

This finding implies that both MNCs and domestic firms use a wide variety of instructional methods to train their newly hired sales reps. This finding also implies that the willingness of both groups toward utilizing both traditional and hi-tech training

methods. Perhaps neither group expects fear of trainee resistance to change in the transition from using low-tech methods to hi-tech methods of training. Much of the credit for this openness is attributed to the high educational standards imposed on the Malaysian work force and the willingness of the government to facilitate rapid transfer of technology into the country (Mohamad 1997; Abdul Hamid 1996).

The third implication of this study is that both MNC and domestic firms are also comparable in the usage of evaluation activities of their sales training programs. The evidence that mean scores of evaluation activities of the two groups mostly fall between “2” and “3” of the five rating scale, prove that each group reported low usage of the different evaluation methods asked in the questionnaire.

This finding suggests that both MNC and domestic firms use some form of training evaluation, but their usage pattern remains low in all evaluation activities. This finding implies that Malaysian firms are still in the beginning stage in embracing training evaluation activities. This finding for Malaysian firms is consistent with the findings reported in other cross-cultural sales training studies, that evaluation activities remain the most difficult task to be managed by sales organizations (Erffmeyer et al. 1993; Honeycutt et al. 1999).

The fourth implication of this study is that MNC sales managers must engage in “reality checks” to determine why they reported significantly low scores in their perception toward important sales training tasks. That is, MNC must develop ways to improve the perception levels of sales managers so they will understand the significant role of sales training. This finding might also be influenced by such mediating variables as sales managers’ education levels, selection of the qualified sales managers, or types of

selling activities surrounding specific industry. Thus, understanding these mediating variables will better equip MNCs to effectively compete within their respective industry in Malaysia.

The fifth implication of this study is that subsidiaries can expect to have some form of headquarters control when dealing with market orientation issues. This topic can be better handled by headquarters through proper translation of sales training modules to be distributed at subsidiary levels. This also implies that MNCs should also employ translations of the training modules as a way to standardize sales reps' selling behavior. Nonetheless, not every training decision must be standardized from the headquarters; subsidiaries in Malaysia should provide some training inputs (e.g., avoid extensive use of participation technique) to facilitate training activities and match local culture of the country.

The sixth implication of this study is that sales training can contribute positively toward the improvement of sales managers' performance in Malaysia. Both MNC and domestic firms must continue their efforts to train their newly hired reps, not only because sales training can help expand sales reps' knowledge, it can also significantly improve sales manager's presentation and communication skills in Malaysia. This implication is based on the finding that reports the improvement of MNC sales managers' presentation and communication skills, as a result of their company's effort in training the newly hired sales reps.

The seventh implication of this study is that trainers from both MNC and domestic groups must become collaborators and share their training expertise and vital

knowledge about sensitive issues in Malaysia. Such collaborative efforts can bridge the gap concerning the 'dos' and the 'don'ts' of training in Malaysian culture.

The last implication of this study is to encourage additional research in the areas of sales training in Malaysia. Currently, no study has been conducted in Malaysia regarding sales training. Academicians are urged to make their contributions in this field because it is clear that in Southeast Asia, this field is still unexplored. Future research in this area is desperately needed to educate local practitioners and students about the important contributions of sales training to firm performance.

V. Recommendations for Future Research

This study also raises some suggestions for future research, some of which are in response to the limitations to this study. First, since this research investigates the current state of sales training practices using firms from different industries, the need exists to perform a similar study using firms selected from one specific industry with similar product offerings. Since this study found many differences in sales training practices between MNCs and domestic firms from a wide range of industries, it is important to see if such differences exist in the practices of MNCs and domestic firms from the same industry. The possibility exists that sales training practices are less differentiated within an industry due to the uniqueness in its selling activities (Moncrief 1988; 1989). This approach provides useful information for potential global companies whose future plan of expansion is to enter the Malaysian market with the intention to compete within a similar industry.

Second, instead of highlighting the differences between MNCs and domestic firms, this study can also be extended by comparing the sales training practices between

the different industries. For instance, it will be interesting to compare and contrast the usage patterns of sales training practices of service-oriented firms, to those of manufacturing-based firms in Malaysia. This line of research may uncover the determining factors that influence the usage pattern of sales training practices using industry-related criteria such as: government regulations and policies, political factors, economic factors, and technological factors. Large numbers of effective sales training determinants are necessary to be determined before generalizations pertaining to an industry's sales training practices can be made.

Third, the present study provides a static look at differences of sales training practices between MNCs and domestic firms using cross sectional data. Time series data might capture a significant incremental effect of sales managers' perceptions toward important training tasks on their performance. Time series data also may be able to capture inter-temporal effect of reps' sales training programs on a sales manager's performance. This would be especially so when a comparison was made during the time lapse between a trainee's receiving his/her initial training, until the skills and knowledge of the trainee is first evaluated. Future longitudinal studies may derive more different results because sales managers' perceived adequacy toward important sales training tasks as well as their performances are likely to improve/decrease over time. Moreover, firms' relative experience in accomplishing sales training programs, their relative age, and familiarity toward sales training practices were unknown. Thus, further study using time series data should be conducted overtime to provide relative comparisons of these variables between the two company groups

Fourth, because this study investigates the sales training practices and their impact on sales managers' performance across MNC and domestic companies in Malaysia, replication with different sample from developing neighboring countries (ASEAN countries) would also be beneficial. The findings of such studies can help academicians and practitioners observe similarities and differences of sales training issues within one economic region. Findings of such a study can also help academicians and practitioners strengthen and support the generalizability of results derived from this study.

Fifth, in addition to the three types of demographic variables used in this study, future research can compare other forms of demographic variables such as: hi-tech versus low-tech firm; high sales performance versus low sales performance firm; small versus large size firms, and public- versus private-owned domestic firms, Malay-dominant versus Chinese-dominant domestic firms, and wholly-owned subsidiary versus joint-venture multinational firms.

Lastly, instead of focusing solely to qualitative performance measures, future research must also consider the use of quantitative sales managers' performance measures. Dubinsky (1981; 1996) suggested that beside qualitative performance measures, quantitative performance measures (such as sales, profits, and expenditures figure) are equally important to be used when measuring the effect of sales training programs on performance measures.

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Appendix A-1: Cover Letter And Survey Questionnaires

1st June 1999

Dear Sales Manager, Sales Supervisor, or Marketing Manager,

As a result of today's globalization trend, there is a growing need to look into sales training issues from international perspective. This need arises due to the influx of multinational companies (MNC) in the emerging markets in the world (including Malaysia). In keeping up with the MNC's training practices, local businesses in those emerging markets also have been reported to use sales training as strategic weapon for their business organizations. As a result to this, researchers have been interested to compare between sales training programs of the MNC and the one of the domestic firms.

You have been chosen to participate in this study which aims to compare between the current usage and your perception toward sales training programs provide by your firm. This study is also interested to examine the influence of your perception toward the training programs provided by your firm to sales reps (or marketing reps) on your performance.

As part of the requirement of my Ph.D. degree, I must personally distribute and collect a set of questionnaire to and from you at your company's premises. There are two sets of questionnaire: one in English and the other in Malay. You may choose either one as both are asking the same questions. I want to assure you that all the information gathered from your company are to be treated as confidential and will remain anonymous.

Kindly complete the questionnaire and place it back in the second envelope to be collected within a week from our first meeting. You will also be hearing from me two to three days after our first meeting to remind you about the questionnaire. Thank you very much for your time, cooperation, and commitment in taking part in this study. If you have further questions, I can be reached at asrijant@HOTMAIL.COM or phone number (03) 820-1413 for clarifications.

Yours Sincerely,

Md. Asri Jantan (Malaysian ID: A 0043698)
Ph.D. Student in Marketing
Graduate School of Business
Old Dominion University
Norfolk, Virginia 23259
United States of America.

SALES TRAINING SURVEY

Dear Sales Managers, Sales Supervisors, and Marketing Managers,

This is to assure you that all your responses will be held in strict confidence. As you read the survey questions, please provide the most accurate response for your situation. Your responses to all of the survey questions are important to the finding of this research project which is investigating the current and perceived sales training practices attended/received by the salespeople (or marketing reps) of your organization, and its impact on your performance.

Caution: Please think of *initial sales training programs* when responding to all items in this survey. Initial sales training programs are training programs offered by sales organizations to facilitate newly hired sales reps/ marketing reps with effective skills, abilities, knowledge, and to instill positive attitude toward personal selling tasks and other related selling activities.

Section A:

The following questions relate to the Current Sales Training Practices of your firm:

A1. Needs Determination is practiced by sales organizations to identify, highlight, analyze, and critically determine the central training needs of salespeople before the training program takes place (e.g., needs to improve communication skills, needs to increase product knowledge, or needs to improve important aspects of personal selling tasks). It is to ensure that the training programs offered by sales organizations effectively match their sales reps'(marketing reps') training needs.

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

Using the five-point scale above, please rate the Current State of your firm's sales training programs based on the following Needs Determination practices:

1. At present, how would you rate the usage frequency of sales training Needs Determination efforts made by your firm?	1 2 3 4 5
2. Needs Determination is conducted based on upper management's/sales manager's/ personnel manager's judgement.	1 2 3 4 5
3. Needs Determination is conducted based on observation of salespeople's (or marketing reps') weaknesses in skills by sales managers/personnel managers.	1 2 3 4 5
4. Needs Determination is conducted based on interview with/survey of present or previous salespeople (or marketing reps).	1 2 3 4 5
5. Needs Determination is conducted based on interview with/survey of customers.	1 2 3 4 5
6. Needs Determination is conducted based on training goals and objectives of our firm.	1 2 3 4 5
7. Needs Determination is conducted based on training goals and objectives of the salespeople (or marketing reps) of our firm.	1 2 3 4 5

A2. **Objective Setting** is practiced by sales organizations to guide them to establish specific, measurable, realistic, and timely training goals before training program takes place. The established training objectives can serve as a performance standard upon which the skills, abilities, and knowledge of salespeople (or marketing reps) can be measured against.

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

Using the five-point scale above, please rate the **Current State** of your company's sales training programs based on the following **Objective Setting** practices:

1. At present, how would you rate the usage frequency of sales training objective setting efforts made by your firm?	1	2	3	4	5
2. Training objectives are established very clearly before beginning training programs.	1	2	3	4	5
3. The training objectives set are very broad and general in nature.	1	2	3	4	5
4. The training objectives set are very specific and detailed in nature.	1	2	3	4	5
5. The training objectives set are measurable and realistic in nature.	1	2	3	4	5
6. The training objectives set are coordinated with other departmental functions of our firm such as: marketing, finance, human resource department, and among others.	1	2	3	4	5

A3. **Program Methods** are practiced by sales organizations to help them to select effective training methods (e.g., on-the-job training), media, locations, and training technology to be used in the implementation stage of the training programs. It can be accomplished in-house or with the support of external resources (e.g. training consultants).

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

Using the five-point scale above, please rate the **Current State** of your company's sales training programs based on the following **Program Methods** practices:

1. <i>Lecture conference</i> method is used as a part of the training program methods of our firm.	1	2	3	4	5
2. <i>Demonstration</i> method is used as a part of the training program methods of our firm.	1	2	3	4	5
3. <i>Participation technique</i> (e.g., two-way dialogues) is used as a part of the training program methods of our firm.	1	2	3	4	5
4. <i>On-the-job training</i> methods are used as a part of the training program method of our firm.	1	2	3	4	5
5. <i>High-tech</i> method (e.g., Computer-Aided Training) is used as part of the training program methods of our firm.	1	2	3	4	5

A4. Program Content is practiced by sales organizations to guide them to select effective training topics (or materials to be covered) during the implementation stage of the training programs to enhance salespeople's (marketing reps') skills, knowledge, and abilities.

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

Using the five-point scale above, please rate the Current State of your company's sales training programs based on the following Program Content practices:

1. The topic on <i>company information</i> is designed as part of the training content of our firm.	1	2	3	4	5
2. The topic on <i>product information</i> is designed as part of the training content of our firm.	1	2	3	4	5
3. The topic on <i>market information</i> is designed as part of the training content of our firm.	1	2	3	4	5
4. The topic on <i>sales procedures</i> is designed as part of the training content of our firm.	1	2	3	4	5
5. The topic on <i>industry information</i> is designed as part of the training content of our firm.	1	2	3	4	5
6. Our firm's sales training content is designed so that the selling skills topic is highly integrated with product information topic.	1	2	3	4	5
7. Our firm's sales training content is designed to enhance salespeople's customer orientation skills.	1	2	3	4	5
8. Our sales training content is designed based on collaborative input from sales trainers, sales managers, and salespeople.	1	2	3	4	5

A5. Training Evaluation techniques are practiced by sales organizations to systematically help them to determine pertinent feedbacks regarding the effectiveness of the training programs and outcomes of those activities.

<i>Almost Never</i>		<i>Usually</i>		<i>Almost Always</i>
1	2	3	4	5

Using the five-point scale above, please rate the Current State of your company's sales training programs based on the following Training Evaluation practices:

1. At present, how would you rate the usage frequency of sales training evaluation efforts made by your firm?	1	2	3	4	5
At the conclusion of the training programs (Item 2 to 6):-					
2. Our firm employs <i>program, method and instructor critique evaluation</i> to determine salespeople's(or marketing reps') <i>reaction</i> toward the training programs.	1	2	3	4	5
3. Our firm provides an <i>examination evaluation</i> to determine salespeople's(or marketing reps') <i>knowledge</i> improvement benefited from the training programs.	1	2	3	4	5

4. Our firm employs a <i>field evaluation</i> to determine salespeople's (or marketing reps') <i>attitude</i> change or improvement benefited from the training programs.	1	2	3	4	5
5. Our firm employs a <i>field evaluation</i> to determine salespeople's (marketing reps') <i>performance</i> improvement benefited from the training programs.	1	2	3	4	5
6. Our firm employs a <i>result evaluation</i> to measure salespeople's (or marketing reps') <i>result</i> improvement (e.g., cost reduction) benefited from the training programs.	1	2	3	4	5

7. State the functional position of the person who primarily responsible for evaluating your firm's salespeople (or marketing reps) training program. _____.

Section B:

B1. The following questions relate to your perceptions of the *adequacy* of important sales training tasks of your firm.

<i>Strongly Disagree</i>					<i>Strongly Agree</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	

Using the five-point scale above, please indicate your *Perception* toward the *Adequacy* of the following *Planning and Evaluation* tasks of your firm's sales training program:

1. Job descriptions for our sales positions are considered when developing a sales training program.	1	2	3	4	5
2. We have specific goals that our sales training program is expected to meet.	1	2	3	4	5
3. Sales training goals are related directly to the goals of the firm.	1	2	3	4	5
4. We analyze our salespeople's jobs in order to determine their sales training needs.	1	2	3	4	5
5. We regularly evaluate the results of our sales training program.	1	2	3	4	5
6. At the same time sales training goals are determined, methods are established to evaluate sales training results.	1	2	3	4	5
7. We use specific items (increase in sales, call/order ratio) to evaluate sales training results.	1	2	3	4	5
8. Information used for evaluating the sales training program is gathered before and after training takes place.	1	2	3	4	5

Strongly Disagree					Strongly Agree
1	2	3	4	5	

Using the five-point scale above, please indicate your *Perception* toward the *Adequacy* of the following *Organizing* tasks of your firm's sales training program:

1. Sales training takes place on a regular basis in our firm.	1	2	3	4	5
2. Management provides the necessary budget for sales training.	1	2	3	4	5
3. Most firm personnel in selling roles seem to make use of the information provided them in sales training sessions.	1	2	3	4	5
4. We have good sales training facilities.	1	2	3	4	5
5. The firm's top management supports the sales training program.	1	2	3	4	5
6. The degree of managerial support for the sales training program is recognized by the firm's staff.	1	2	3	4	5
7. The firm's sales training motivates our employees to want sales success.	1	2	3	4	5

Using the five-point scale above, please indicate your *Perception* toward the *Adequacy* of the following *Directing* tasks of your firm's sales training program:

1. Sales training is performed in a positive manner that encourages our salespeople.	1	2	3	4	5
2. The personnel who lead our sales training sessions have the necessary background and experience.	1	2	3	4	5
3. There is an individual or department in our firm responsible for developing and coordinating sales training program.	1	2	3	4	5
4. The personnel who lead our sales training sessions are effective in communicating salesmanship techniques to others.	1	2	3	4	5
5. The personnel who conduct our sales training are themselves skilled salespeople.	1	2	3	4	5

B2. The following questions relate to the improvement of your performance as a result of your sales rep's attending initial sales training programs.

Need Improvement							Outstanding
1	2	3	4	5	6	7	

Using the seven-point scale above, how do you *Perceive* the improvement in your *Performance* as a result of your salespeople (or marketing reps) attending initial sales training programs.

Upon the completion of the initial sales training, my salespeople (marketing reps) help improve my performance in the following areas (Q1 to Q20):							
1. Help me to produce a high market share for our company in my territory.	1	2	3	4	5	6	7
2. Help me to generate a high level of dollar sales.	1	2	3	4	5	6	7
3. Help me to generate sales of new company products.	1	2	3	4	5	6	7
4. Help me to produce sales with long-term profitability.	1	2	3	4	5	6	7

5. Help me to know the design and specification of company products.	1	2	3	4	5	6	7
6. Help me to know the applications and functions of company products.	1	2	3	4	5	6	7
7. My salespeople help facilitate my knowledge to act as special resource to other department that need their assistance.	1	2	3	4	5	6	7
8. Help me to keep abreast with the company's production and technological developments.	1	2	3	4	5	6	7
9. Help me to carry out company policies, procedures, and programs for providing information.	1	2	3	4	5	6	7
10. My salespeople provide me with accurate and complete paperwork related to order, expenses, and other routines reports.	1	2	3	4	5	6	7
11. My salespeople provide me input on how company operations and procedures can be improved.	1	2	3	4	5	6	7
12. My salespeople increased my productivity by submitting required reports on time.	1	2	3	4	5	6	7
13. My salespeople assist me to operate within the budget set by the company.	1	2	3	4	5	6	7
14. My salespeople help me to control costs by reducing travel spending and lodging money.	1	2	3	4	5	6	7
15. My salespeople improve my performance by practicing good listening skills (i.e., listening attentively to customers to identify and understand their real concerns).	1	2	3	4	5	6	7
16. My salespeople improve my performance by demonstrating the ability to understand customers' unique problems and concerns.	1	2	3	4	5	6	7
17. My salespeople improve my performance by mastering the skills of establishing contact (networking) to develop new customers.	1	2	3	4	5	6	7
18. My salespeople improve my performance by practicing the skill of communicating their sales presentation clearly and concisely.	1	2	3	4	5	6	7
19. My salespeople help improve my performance by making effective use of audiovisuals (charts, table, and the like) to improve their sales presentations.	1	2	3	4	5	6	7
20. My salespeople help reduce my supervision time by working out solutions to customers' questions or objections.	1	2	3	4	5	6	7

Section C:

1. What is the principal objective of your company's training program for salespeople (or marketing reps)? (Please prioritize 1 to 7).

<p>Extremely Important "1"; Highly Important "2"; Very Important "3"; Important "4"; Not Very Important "5"; Highly Unimportant "6"; and Extremely Unimportant "7"</p>
--

- _____ Decrease Turnover
- _____ Improve customer relations
- _____ Decrease selling cost
- _____ Improve control of sales force
- _____ Improve use of time
- _____ A combination of _____ and _____.
- _____ Other(Please Specify) _____.

2. Approximately what percentage of method (or instructions) is delivered by each of the following training methods or techniques by your firm?

- _____ Lecture
- _____ Demonstration
- _____ Participation techniques
- _____ On-the-job training (OJT)
- _____ Other (Pls Specify) _____.

100% Total

3. Who conducts the training program for salespeople (or marketing reps) in your firm (Check more than one)?

- _____ Top Management
- _____ Field Management
- _____ Training Staff
- _____ Outside Consultant
- _____ Joint effort between _____ and _____.
- _____ (Pls Specify) _____.

4. What percentage of training time is devoted to each of the following content areas by your firm?

- _____ Company Information
- _____ Product Information
- _____ Market Information
- _____ Sales Procedures
- _____ Other (Pls specify) _____.

100% Total

5. What is the length of the training program, in days, to train your firm's salespeople (or marketing reps)? _____ days.

Section D:

The following questions relate to the demographic profile of your organization (Check one by an X):

1. How would you classify your firm according to the following status?

- Multinational Firm
- Domestic Firm

2. Number of employees in your firm

- Less than 250 employees
- Between 250 to 1000 employees
- More than 1000 employees

Appendix A-2: Survey Questionnaires (Translation)

KAJILIDIKAN LATIHAN JUALAN

Tetuan: Pengurus Jualan, Pegawai Penyelia Jualan, atau Pengurus Pemasaran,

Kenyataan ini memberikan jaminan bahawa kesemua jawapan anda adalah **rahsia** dan hanya diketahui oleh pihak penyelidik. Semasa memberi jawapan, sila berikan jawapan yang bersesuaian dengan urusan jualan di firma anda. Menjawab kesemua soalan kajiselidik ini adalah penting bagi mendapatkan maklumat berkaitan dengan amalan latihan jualan masa kini di firma anda, tanggapan (persepsi) anda terhadap amalan latihan jualan tersebut yang di hadiri oleh jurujual (atau juru pasar) di firma anda, dan kesannya ke atas pencapaian prestasi anda.

PERINGATAN: Sila fikirkan tentang *Program Latihan Jualan Awalan* apabila menjawab soalan soalan kajiselidik ini. Program Latihan Jualan Awalan adalah program latihan yang di sediakan oleh firma perniagaan untuk jurujual/jurupasar yang baru dilantik. Ianya bertujuan untuk memberikan jurujual/jurupasar kemahiran menjual yang berkesan, menambahkan keupayaan penjualan mereka, menambahkan pengetahuan mereka terhadap aktiviti penjualan, dan menanamkan sikap positif jurujual/jurupasar terhadap urusan dan tugas penjualan mereka.

Bahagian A:

Berikut adalah soalan soalan berkaitan dengan Amalan Latihan Jualan masa kini di firma tuan:

A1. Penentuan Keperluan latihan di amalkan oleh firma perniagaan untuk mengenal pasti, menggariskan, menganalisa, dan menentukan keperluan utama melatih jurujual/jurupasar sebelum program latihan di jalankan (e.g., keperluan memperbaiki kemahiran komunikasi jurujual, keperluan untuk menambahkan pengetahuan jurujual terhadap produk, atau keperluan untuk memperbaiki kemahiran jurujual berkaitan aktiviti jualan). Ini bertujuan supaya program latihan yang di sediakan oleh firma perniagaan sepadan dengan keperluan latihan yang di mahukan oleh jurujual (jurupasar).

<i>Tidak Pernah Diamalkan</i>		<i>Selalu Diamalkan</i>		<i>Sentiasa Diamalkan</i>
1	2	3	4	5

Dengan menggunakan skalar lima point di atas, sila nyatakan amalan Masa Kini latihan jualan firma tuan berdasarkan kepada amalan-amalan Penentuan Keperluan Latihan yang berikut:

1. Pada masa kini, apakah frekuensi penggunaan amalan Penentuan Keperluan Latihan jualan di firma tuan?	1	2	3	4	5
2. Penentuan Keperluan Latihan di kendalikan berdasarkan pertimbangan pengurus atasan / pengurus jualan / pengurus personnel.	1	2	3	4	5
3. Penentuan Keperluan Latihan di kendalikan berdasarkan kelemahan yang di tunjukkan oleh jurujual (jurupasar) menerusi pemerhatian pengurus jualan/ pengurus personnel.	1	2	3	4	5
4. Penentuan Keperluan Latihan di kendalikan berdasarkan input dari temubual dengan / kajiselidik ke atas jurujual (jurupasar).	1	2	3	4	5

latihan.	
3. Firma kami menggunakan teknik <i>penilaian peperiksaan</i> untuk menilai pertambahan <i>pengetahuan</i> yang di manfaatkan dari program latihan.	1 2 3 4 5
4. Firma kami menggunakan teknik <i>penilaian melawat ke tempat kerja</i> untuk menilai perubahan dalam <i>sikap</i> jurujual terhadap kerja mereka, yang dimanfaatkan dari program latihan.	1 2 3 4 5
5. Firma kami menggunakan teknik <i>penilaian melawat di tempat kerja</i> untuk menilai pertambahan dalam <i>prestasi</i> jurujual yang di manfaatkan dari program latihan.	1 2 3 4 5
6. Firma kami menggunakan teknik <i>penilaian hasil kerja</i> untuk menilai pertambahan dalam <i>hasil kerja</i> jurujual (e.g. penurunan kos jualan), yang di manfaatkan dari program latihan.	1 2 3 4 5

7. Nyatakan taraf dan pangkat orang yang bertanggung jawab membuat penilaian ke atas program latihan jurujual (jurupasar) di firma tuan. _____.

Bahagian B:

B1. Berikut adalah soalan soalan berkaitan dengan *Persepsi* tuan terhadap *Tahap kecukupan* tugas-tugas utama latihan jualan yang di amalkan di firma tuan:

<i>Sangat Tidak Bersetuju</i>					<i>Sangat Bersetuju</i>
1	2	3	4	5	

Dengan menggunakan skalar lima point di atas, sila nyatakan *Persepsi* tuan terhadap *Tahap Kecukupan* dalam tugas-tugas *Perancangan dan Penilaian* program latihan jualan di firma tuan:

1. Penghuraian kerja (Job descriptions) bagi jawatan penjual di ambil kira apabila firma kami membentuk program latihan jualan.	1 2 3 4 5
2. Kami mempunyai matlamat yang khusus yang di jangka boleh di capai oleh program latihan jualan.	1 2 3 4 5
3. Matlamat latihan jualan firma kami berhubung terus dengan matimat firma kami.	1 2 3 4 5
4. Firma kami menganalisa tugas tugas jurujual untuk membuat penentuan keperluan latihan jualan.	1 2 3 4 5
5. Firma kami sering membuat penilaian ke atas keputusan/hasil dari program latihan jualan.	1 2 3 4 5
6. Pada masa yang sama matlamat latihan jualan di tentukan, kaedah/teknik penilaian latihan jualan juga di pilih.	1 2 3 4 5
7. Kami menggunakan kriteria khusus (kenaikan jualan, nisbah panggilan/pesanan) untuk menilai hasil/keputusan program latihan jualan.	1 2 3 4 5
8. Maklumat yang di gunakan untuk menilai program latihan jualan di kumpul sebelum dan sesudah latihan jualan tersebut mengambil tempat.	1 2 3 4 5

<i>Sangat Tidak Bersetuju</i>						<i>Sangat Bersetuju</i>
1	2	3	4	5		

Dengan menggunakan skalar lima point di atas, sila nyatakan *Persepsi* tuan terhadap *Tahap Kecukupan* dalam tugas-tugas *Organisasi* program latihan jualan di firma tuan:

1. Latihan Jualan sering di adakan di firma kami.	1	2	3	4	5
2. Pengurusan firma kami menyediakan belanjawan yang berpatutan untuk latihan jualan.	1	2	3	4	5
3. Kesemua kakitangan firma kami menggunakan maklumat yang di perolehi ketika sesi latihan jualan.	1	2	3	4	5
4. Firma kami mempunyai kemudahan latihan jualan yang baik.	1	2	3	4	5
5. Pengurusan atasan memberikan sokongan untuk menjayakan latihan jualan.	1	2	3	4	5
6. Kakitangan menyedari sokongan yang diberikan terhadap latihan jualan.	1	2	3	4	5
7. Latihan jualan merangsang kakitangan supaya memahukan kejayaan.	1	2	3	4	5

Sekali lagi, dengan menggunakan skalar lima point di atas, sila nyatakan *Persepsi* tuan terhadap *Tahap Kecukupan* dalam tugas-tugas *Pengarahan (Directing)* program latihan jualan di firma tuan:

1. Latihan jualan di arahkan dalam suasana yang positif yang mendatangkan kepada jurujual firma kami.	1	2	3	4	5
2. Kakitangan yang mengarahkan sesi latihan jualan mempunyai latarbelakang dan pengalaman yang berpatutan.	1	2	3	4	5
3. Firma kami mempunyai orang perseorangan atau jabatan khusus yang bertanggung jawab untuk membentuk dan mengarahkan program latihan jualan.	1	2	3	4	5
4. Kakitangan yang mengarah sesi latihan jualan mengarah dengan berkesan dalam menyampaikan teknik salesmanship kepada jurujual.	1	2	3	4	5
5. Kakitangan yang mengarahkan latihan jualan adalah kakitangan yang mahir dalam tugasan penjualan.	1	2	3	4	5

B2. Berikut adalah soalan soalan berkaitan dengan *Pembaikan* dalam *Prestasi* tuan kesan dari jurujual menghadiri latihan jualan awalan di firma tuan:

<i>Perlu Diperbaiki</i>							<i>Cemerlang</i>
1	2	3	4	5	6	7	

Dengan menggunakan skalar tujuh point di atas, bagaimanakah *Persepsi* anda terhadap *Pembaikan Prestasi Anda* kesan dari jurujual (jurupasar) menghadiri program latihan jualan awalan.

Setelah menyelesaikan program latihan jualan awalan, jurujual (jurupasar) dapat membantu saya memperbaiki prestasi dalam tugas tugas saya yang berikut (soalan 1 hingga 20):																			
1. Membantu saya mendapatkan "market share" yang tinggi untuk firma	1	2	3	4	5	6	7												

	dalam territori jualan.	
2.	Membantu saya mendapatkan hasil pulangan jualan yang tinggi.	1 2 3 4 5 6 7
3.	Membantu saya mendapatkan jualan produk baru.	1 2 3 4 5 6 7
4.	Membantu saya mendapatkan jualan dengan keuntungan jangka panjang.	1 2 3 4 5 6 7
5.	Membantu saya untuk mengetahui rekabentuk dan spesifikasi produk yang dikeluarkan oleh firma.	1 2 3 4 5 6 7
6.	Membantu saya mengetahui kegunaan dan fungsi produk yang dikeluarkan oleh firma.	1 2 3 4 5 6 7
7.	Jurujual membantu meningkatkan pengetahuan saya dengan bertindak sebagai sumber yang penting kepada jabatan yang lain yang memerlukan pertolongan.	1 2 3 4 5 6 7
8.	Jurujual membantu saya mengikut perkembangan terbaru tentang keluaran firma dan pembangunan teknologi firma.	1 2 3 4 5 6 7
9.	Jurujual memudahkan saya menjalankan tanggung jawab dalam tugas berkaitan dengan polisi firma, peraturan firma, dan usaha memberi maklumat.	1 2 3 4 5 6 7
10.	Jurujual memudahkan kerja saya dengan memberi laporan kerja yang tepat dan lengkap dalam perkara berkaitan dengan pesanan, perbelanjaan, dan lain-lain lagi.	1 2 3 4 5 6 7
11.	Jurujual memberikan saya input untuk memperbaiki operasi firma serta peraturannya.	1 2 3 4 5 6 7
12.	Jurujual membantu saya menambahkan produktiviti dengan memberikan laporan-laporan yang di perlukan tepat pada masa.	1 2 3 4 5 6 7
13.	Jurujual saya membantu saya beroperasi dalam had belanjawan yang di tetapkan oleh firma.	1 2 3 4 5 6 7
14.	Jurujual saya membantu saya mengurangkan kos apabila mereka mengurangkan belanja perjalanan dan penginapan.	1 2 3 4 5 6 7
15.	Jurujual saya memperbaiki prestasi saya dengan menggunakan kemahiran mendengar dengan baik (mendengar dengan mendalam keluhan pengguna dan mengenali masalah mereka).	1 2 3 4 5 6 7
16.	Jurujual saya memperbaiki prestasi saya dengan menunjukkan keupayaan memahami keluhan dan masalah pelanggan.	1 2 3 4 5 6 7
17.	Jurujual saya memperbaiki prestasi saya dengan mengamalkan sepenuhnya kemahiran "networking" untuk mendapatkan pelanggan baru.	1 2 3 4 5 6 7
18.	Jurujual saya memperbaiki prestasi saya dengan mengamalkan kemahiran komunikasi terang dan padat dalam pembentangan penjualan mereka.	1 2 3 4 5 6 7
19.	Jurujual memperbaiki prestasi saya dengan mengamalkan teknik audio visual (Pandang Dengar) yang baik (carta) untuk memperbaiki teknik penjualan mereka.	1 2 3 4 5 6 7
20.	Jurujual saya mengurangkan masa penyeliaan dengan mengambil inisiatif memberikan menyelesaikan pertanyaan dan bangkangan pelanggan.	1 2 3 4 5 6 7

Bahagian C:

1. Apakah objektif utama firma anda dalam menjayakan program latihan jualan untuk jurujual (atau jurupasar)? (Sila beri keutamaan dari 1 hingga 7).

Teramat Penting "1"; Amat Penting "2"; Sangat Penting "3"; Penting "4";
Sangat Tidak Penting "5"; Amat Tidak Penting "6"; dan Teramat Tidak Penting "7"

- _____ Mengurangkan Pusing Ganti Jurujual
- _____ Memperbaiki Perhubungan Pelanggan
- _____ Mengurangkan Kos Jualan
- _____ Menambahkan Kawalan ke atas Jurujual
- _____ Memperelokkan Penggunaan Masa Jurujual
- _____ Kombinasi antara _____ dengan _____.
- _____ Lain(Sila Catitkan) _____.

2. Berikut adalah kaedah-kaedah (teknik teknik) yang digunakan untuk melatih jurujual (jurupasar). Berdasarkan kaedah kaedah dibawah, sila anggarkan peratusan (%) kaedah latihan yang di gunakan untuk melatih jurujual di firma anda.

- _____ Syarahan
- _____ Demonstrasi (Tunjuk tatacara)
- _____ Teknik Berserta (Participation techniques)
- _____ Latihan Di-tempat-kerja (On-the-job training [OJT])
- _____ Lain-lain (sila catitkan) _____.

100% Jumlah

3. Siapakah yang bertanggungjawab mengelolakan latihan jualan ke atas jurujual (jurupasar) di firma anda (Boleh Tandakan lebih dari satu)?

- _____ Pengurusan Atasan (Top Management)
- _____ Pengurus di tempat kerja (Field Management)
- _____ Kakitangan Latihan (Training Staff)
- _____ Perunding Luar (Outside Consultant)
- _____ Usaha bersama antara _____ dan _____.
- _____ Lain(sila catitkan) _____.

4. Berikut adalah topik-topik yang biasa di sampaikan dalam program latihan jualan. Berdasarkan dari topik-topik di bawah, sila anggarkan peratusan penggunaan topik isi kandungan program latihan jualan yang di kelolakan oleh firma tuan?

- _____ Maklumat Firma (Company Information)
- _____ Maklumat Produk (Product Information)
- _____ Maklumat Pasaran (Market Information)
- _____ Peraturan Jualan (Sales Procedures)
- _____ Lain lain (sila catit) _____.

100% Jumlah

5. Apakah kadar jangka masa program latihan (dalam kiraan hari) yang di sediakan untuk melatih jurujual (jurupasar) di firma anda? _____ hari.

Bahagian D:

Berikut adalah soalan soalan yang berkait dengan profil demografi firma anda (Cuma Pilih satu respon dengan menandakan pangkah [X]):

1. Apakah pengelasan yang anda boleh berikan terhadap firma anda berdasarkan dari klasifikasi yang berikut?
 - Syarikat Antarabangsa (Multinational Firm)
 - Syarikat Tempatan (Domestic Firm)

2. Bilangan pekerja di firma tuan
 - kurang dari 250 orang
 - antara 250 ke 1000 orang
 - lebih dari 1000 orang

3. Anggaran modal terbayar firma tuan
 - Kurang dari RM 1,000,000
 - Antara RM 1, 000,000 to 2,500,000
 - Lebih dari RM 2,500,000

4. Nyatakan jawatan anda _____.

5. Jantina: Lelaki/ Perempuan

6. Sila nyatakan kelulusan tertinggi yang anda perolehi
 - SPM (Certificate of Malaysian Education)
 - Ijazah Sarjanamuda (Bachelor Degree)
 - Ijazah Sarjana (Master Degree)
 - Lain (Sila Catit)_____.

7. Nyatakan jumlah masa (dalam bulan atau tahun) anda bekerja di firma anda _____(bulan atau tahun).

8. Nyatakan Umur anda _____(tahun)

9. Nyatakan Bangsa anda _____.

10. Nyatakan jumlah masa pengalaman anda (dalam bulan atau tahun) mengurus jurujual (jurupasar) _____(bulan atau tahun)

11. Nyatakan kategori industri dalam mana firma anda beroperasi (Pilih SATU dengan menandakan X)

- Barangan Pengguna (Consumer Goods) Consumer Services (Perkhidmatan Pengguna)

(Perniagaan yang berkaitan dengan pengeluaran/ pengilangan/ pengagihan/ penjualan barangan dan perkhidmatan kepada pengguna di Malaysia).

- Barangan Industri (Industrial Goods) Perkhidmatan Industri (Industrial Services)

(Perniagaan yang berkaitan dengan pengeluaran/ pengilangan/ pengagihan/ penjualan bahan mentah, barangan separa siap, dan barang ganti separa siap, dan memberikan perkhidmatan pemasangan barang-barang separa siap kepada firma perniagaan yang lain dan kerajaan.)

TERIMA KASIH ATAS KERJASAMA ANDA

APPENDIX B-1: RELIABILITY ASSESSMENTS: CRONBACH ALPHA

1) CURRENT STATE OF INITIAL SALES TRAINING PROGRAM INDEX

INDICES	Mean	Variance	Std Dev	Items	Coeff Alpha
STND 1 to 7	23.7905	17.3788	4.1688	7	0.7088
STOS 1 to 6	20.6190	14.8919	3.8590	6	0.7139
STPM 1 to 5	17.9429	9.9390	3.1526	5	0.6659
STPC 1 to 8	29.8857	25.6022	5.0599	8	0.8243
STE 1 to 6	17.1810	23.5919	4.8572	6	0.8031

2) PERCEIVED ADEQUACY TOWARD IMPORTANT SALES TRAINING TASKS SCALES

SCALES	Mean	Variance	Std Dev	Items	Coeff Alpha
PASTPE 1,4-8	21.1905	25.0980	5.0098	6	0.8505
PASTO 1,2,3,5	14.6381	11.9255	3.4533	4	0.7751
PASTD 1-5	18.9238	16.6672	4.0826	5	0.8315

3) PERCEIVED SALES MANAGERS' PERFORMANCE SCALES

SCALES	Mean	Variance	Std Dev	Items	Coeff Alpha
PERF 1 (PSMP 9 to 12)	22.6286	29.4665	5.4283	5	0.8670
PERF 2 (PSMP16 to 20)	24.4476	28.5766	5.3457	5	0.8636
PERF 3 (PSMP 1 to 3)	13.7048	9.9216	3.1499	3	0.8935
PERF 4 (PSMP 5 to 8)	18.4095	16.0903	4.0113	4	0.7755
PERF 5 (PSMP 4,14,15)	13.7333	10.0821	3.1752	3	0.7437
Overall (PSMP 1 to 20)	92.9238	291.53	17.074	20	0.9310

APPENDIX B-2: DETAIL RESULTS OF ORDINARY LEAST SQUARE (OLS) REGRESSION TO TEST HYPOTHESES 3a-3c.

A1: Relationship Between Perf 1 (Company Information and Policy) and Perceived Adequacy of Sales Training Planning and Evaluation.

**** OLS REGRESSION ****

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF1 (Company Information and Policy)

Block Number 1. Method: Enter PASTPE MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTPE (Perceived Adequacy of Sales Training Planning and Evaluation)

Multiple R .29068
 R Square .08449
 Adjusted R Square .06654
 Standard Error 5.24459

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	258.93131	129.46566
Residual	102	2805.58297	27.50572

F = 4.70686 Signif F = .0111

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTPE	.312902	.104903	.288778	2.983*	.0036
MNCDUMMY	1.378456	1.046110	.127573	1.318	.1906
(Constant)	15.315364	2.438472		6.281*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

A2: Relationship Between Perf 1 (Company Information and Policy) and Perceived Adequacy of Sales Training Organization.

**** OLS REGRESSION ****

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF1 (Company Information and Policy)

Block Number 1. Method: Enter PASTO MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTO (Perceived Adequacy of Sales Training Organization)

Multiple R .27850
 R Square .07756
 Adjusted R Square .05947
 Standard Error 5.26441

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	237.68750	118.84375
Residual	102	2826.82679	27.71399

F = 4.28822 Signif F = .0163

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTO	.428904	.151041	.271031	2.840*	.0055
MNCDUMMY	.486070	1.031312	.044985	.471	.6384
(Constant)	16.138109	2.275290		7.093*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

A3: Relationship Between Perf 1 (Company Information and Policy) and Perceived Adequacy of Sales Training Directing.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF1 (Company Information and Policy)

Block Number 1. Method: Enter PASTD MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTD (Perceived Adequacy of Sales Training Directing)

Multiple R .34080
 R Square .11614
 Adjusted R Square .09881
 Standard Error 5.15313

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	355.92717	177.96359
Residual	102	2708.58711	26.55478

F = 6.70175 Signif F = .0018

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTD	.444243	.123840	.334109	3.587*	.0005
MNCDUMMY	.854969	1.006382	.079125	.850	.3976
(Constant)	13.798395	2.463830		5.600*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

B1: Relationship Between Perf 2 (Sales Presentation and Communication Skills) and Perceived Adequacy of Sales Training Planning and Evaluation.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF2 (Sales Presentation and Communication Skills)

Block Number 1. Method: Enter PASTPE MNCDUMMY

Variable(s) Entered on Step Number

1.. MNCDUMMY

2.. PASTPE (Perceived Adequacy of Sales Training Planning and Evaluation)

Multiple R .32872
 R Square .10806
 Adjusted R Square .09057
 Standard Error 5.09788

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	21.14628	160.57314
Residual	102	2650.81563	25.98839

F = 6.17865 Signif F = .0029

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTPE	.333391	.101968	.312441	3.270*	.0015
MNCDUMMY	1.969519	1.016847	.185090	1.937**	.0555
(Constant)	16.407524	2.370260		6.922*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p< 0.05)

** The critical t-value is greater than the table t-value = 1.645 (p< 0.10)

B2: Relationship Between Perf 2 (Sales Presentation and Communication Skills) and Perceived Adequacy of Sales Training Organization.

**** OLS REGRESSION ****

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF2 (Sales Presentation and Communication Skills)

Block Number 1. Method: Enter PASTO MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTO (Perceived Adequacy of Sales Training Organizing)

Multiple R .36451
 R Square .13287
 Adjusted R Square .11587
 Standard Error 5.02648

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	394.87882	197.43941
Residual	102	2577.08308	25.26552

F = 7.81458 Signif F = .0007

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTO	.537946	.144215	.345189	3.730*	.0003
MNCDUMMY	.971552	.984701	.091304	.987	.3262
(Constant)	16.127830	2.172457		7.424*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

B3: Relationship Between Perf 2 (Sales Presentation and Communication Skills) and Perceived Adequacy of Sales Training Directing

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF2 (Sales Presentation and Communication Skills)

Block Number 1. Method: Enter PASTD MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTD (Perceived Adequacy of Sales Training Directing)

Multiple R .34026
 R Square .11577
 Adjusted R Square .09844
 Standard Error 5.07579

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	344.07438	172.03719
Residual	102	2627.88752	25.76360

F = 6.67753 Signif F = .0019

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTD	.416761	.121981	.318283	3.417*	.0009
MNCDUMMY	1.396584	.991277	.131247	1.409	.1619
(Constant)	15.869264	2.426849		6.539*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

C1: Relationship Between Perf 3 (Sales Target and Objectives) and Perceived Adequacy of Sales Training Planning and Evaluation.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF3 (Sales Target and Objectives)

Block Number 1. Method: Enter PASTPE MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTPE (Perceived Sales Training Planning and Evaluation)

Multiple R .31926
 R Square .10192
 Adjusted R Square .08432
 Standard Error 3.01414

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	105.17099	52.58550
Residual	102	926.67663	9.08506

F = 5.78813 Signif F = .0042

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTPE	.203622	.060289	.323857	3.377*	.0010
MNCDUMMY	.660196	.601215	.105296	1.098	.2747
(Constant)	9.062958	1.401426		6.467*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

C2: Relationship Between Perf 3 (Sales Target and Objectives) and Perceived Adequacy of Sales Training Organization

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF3 (Sales Target and Objectives)

Block Number 1. Method: Enter PASTO MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTO (Perceived Adequacy of Sales Training Organization)

Multiple R .47052
 R Square .22139
 Adjusted R Square .20612
 Standard Error 2.80652

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	228.43713	114.21856
Residual	102	803.41049	7.87657

F = 14.50105 Signif F = .0000

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTO	.432178	.080522	.470646	5.367*	.0000
MNCDUMMY	.009668	.549806	.001542	.018	.9860
(Constant)	7.412103	1.212986		6.111*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

C3: Relationship Between Perf 3 (Sales Target and Objectives) and Perceived Adequacy of Sales Training Directing.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF3 (Sales Target and Objectives)

Block Number 1. Method: Enter PASTD MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTD (Perceived Adequacy of Sales Training Directing)

Multiple R .35473
 R Square .12584
 Adjusted R Square .10870
 Standard Error 2.97375

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	129.84367	64.92184
Residual	102	902.00395	8.84318

F = 7.34146 Signif F = .0011

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTD	.272215	.071465	.352820	3.809*	.0002
MNCDUMMY	.315010	.580759	.050241	.542	.5887
(Constant)	8.397409	1.421816		5.906*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

D1: Relationship Between Perf 4 (Product Information and Technical Skills) and Perceived Adequacy of Sales Training Planning and Evaluation.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF4 (Product Information and Technical Skills)

Block Number 1. Method: Enter PASTPE MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTPE (Perceived Adequacy of Sales Training Planning and Evaluation)

Multiple R .21597
 R Square .04664
 Adjusted R Square .02795
 Standard Error 3.95482

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	78.05153	39.02577
Residual	102	1595.33894	15.64058

F = 2.49516 Signif F = .0875

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTPE	.168417	.079104	.210340	2.129*	.0357
MNCDUMMY	.868011	.788846	.108710	1.100	.2738
(Constant)	14.410823	1.838792		7.837*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

D2: Relationship Between Perf 4 (Product Information and Technical Skills) and Perceived Adequacy of Sales Training Organization.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF4 (Product Information and Technical Skills)

Block Number 1. Method: Enter PASTO MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTO (Perceived Adequacy of Sales Training Organization)

Multiple R .29863
 R Square .08918
 Adjusted R Square .07132
 Standard Error 3.86558

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	149.23241	74.61621
Residual	102	1524.15807	14.94273

F = 4.99348 Signif F = .0085

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTO	.341985	.110907	.292448	3.084*	.0026
MNCDUMMY	.322973	.757278	.040449	.426	.6706
(Constant)	13.266368	1.670714		7.941*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

D3: Relationship Between Perf 4 (Product Information and Technical Skills) and Perceived Adequacy of Sales Directing.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF4 (Product Information and Technical Skills)

Block Number 1. Method: Enter PASTD MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTD (Perceived Adequacy of Sales Training Directing)

Multiple R .31525
 R Square .09938
 Adjusted R Square .08173
 Standard Error 3.84387

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	166.30850	83.15425
Residual	102	1507.08197	14.77531

F = 5.62792 Signif F = .0048

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTD	.303176	.092375	.308564	3.282*	.0014
MNCDUMMY	.603428	.750689	.075574	.804	.4234
(Constant)	12.373430	1.837840		6.733*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

E1: Relationship Between Perf 4 (Customer Relation Skills) and Perceived Adequacy of Sales Training Planning and Evaluation.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF5 (Customer Relation Skills)

Block Number 1. Method: Enter PASTPE MNCDUMMY

Variable(s) Entered on Step Number

1.. MNCDUMMY

2.. PASTPE (Perceived Adequacy of Sales Training Planning and Evaluation)

Multiple R .35379
 R Square .12517
 Adjusted R Square .10801
 Standard Error 2.99884

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	131.24285	65.62143
Residual	102	917.29048	8.99304

F = 7.29691 Signif F = .0011

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTPE	.225885	.059983	.356396	3.766*	.0003
MNCDUMMY	.839807	.598162	.132872	1.404	.1634
(Constant)	8.530817	1.394311		6.118*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 ($p < 0.05$)

E2: Relationship Between Perf 4 (Customer Relation Skills) and Perceived Adequacy of Sales Training Organization.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF5 (Customer Relation Skills)

Block Number 1. Method: Enter PASTO MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTO (Perceived Adequacy of Sales Training Organization)

Multiple R .35785
 R Square .12805
 Adjusted R Square .11096
 Standard Error 2.99389

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	134.26922	67.13461
Residual	102	914.26411	8.96337

F = 7.48988 Signif F = .0009

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTO	.327832	.085898	.354160	3.817*	.0002
MNCDUMMY	.184989	.586511	.029268	.315	.7531
(Constant)	8.864744	1.293966		6.851*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p < 0.05)

E3: Relationship Between Perf 4 (Customer Relation Skills) and Perceived Adequacy of Sales Training Directing.

****** OLS REGRESSION ******

Listwise Deletion of Missing Data

Equation Number 1 Dependent Variable.. PERF5 (Customer Relation Skills)

Block Number 1. Method: Enter PASTD MNCDUMMY

Variable(s) Entered on Step Number

- 1.. MNCDUMMY
- 2.. PASTD (Perceived Adequacy of Sales Training Directing)

Multiple R .41728
 R Square .17412
 Adjusted R Square .15793
 Standard Error 2.91373

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	2	182.57433	91.28716
Residual	102	865.95901	8.48979

F = 10.75258 Signif F = .0001

----- Variables in the Equation -----

Variable	B	SE B	Beta	T	Sig T
PASTD	.321404	.070022	.413246	4.590*	.0000
MNCDUMMY	.462089	.569037	.073110	.812	.4187
(Constant)	7.422298	1.393118		5.328*	.0000

End Block Number 1 All requested variables entered.

* The critical t-value is greater than the table t-value = 1.96 (p< 0.05)

APPENDIX B-3:
 DETAIL RESULTS OF ANOVA MODELS TO TEST HYPOTHESES 4a-4c.

A. Perceived Adequacy of the Overall Sales Training Program (PAOSTP)
Average over Industry types

----- ONEWAY ANOVA -----

Variable OVERALL (PAOSTP)

By Variable INDUSTRY (Grp 1: Industrial Goods and Services Industry)
 (Grp 2: Consumer Goods and Services Industry)

Analysis of Variance

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	552.8587	552.8587	2.8764*	.0929
Within Groups	103	19797.3699	192.2075		
Total	104	20350.2286			

Group	Count	Standard Mean	Standard Deviation	Error	95 Pct Conf Int for Mean	
Grp 1	49	71.6327	12.8415	1.8345	67.9441 TO	75.3212
Grp 2	56	76.2321	14.6982	1.9641	72.2959 TO	80.1683
Total	105	74.0857	13.9884	1.3651	71.3786 TO	76.7928

GROUP	MINIMUM	MAXIMUM
Grp 1	45.0000	95.0000
Grp 2	28.0000	95.0000
TOTAL	28.0000	95.0000

Levene Test for Homogeneity of Variances

Statistic	df1	df2	2-tail Sig.
.0790	1	103	.779

* F-value significant at p < 0.10

B. Perceived Adequacy of the Overall Sales Training Program (POASTP)
Average over Budget Levels

----- ONEWAY ANOVA -----

Variable **OVERALL (POASTP)**

By Variable **BUDGET (Grp1: High Budget Level)**
(Grp 2: Low Budget Level)

Analysis of Variance

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	1460.9544	1460.9544	7.9663*	.0057
Within Groups	103	18889.2742	183.3910		
Total	104	20350.2286			

Group	Count	Standard Mean	Standard Deviation	Error	95 Pct Conf Int for Mean
Grp 1	74	76.5000	13.0743	1.5199	73.4709 TO 79.5291
Grp 2	31	68.3226	14.6182	2.6255	62.9606 TO 73.6846
Total	105	74.0857	13.9884	1.3651	71.3786 TO 76.7928

GROUP	MINIMUM	MAXIMUM
Grp 1	28.0000	95.0000
Grp 2	30.0000	95.0000
TOTAL	28.0000	95.0000

Levene Test for Homogeneity of Variances

Statistic	df1	df2	2-tail Sig.
.3785	1	103	.540

* F-value significant at $p < 0.05$

C. Perceived Adequacy of the Overall Sales Training Program (PAOSTP)
Average over Top Management Support

----- ONEWAY ANOVA -----

Variable OVERALL (PAOSTP)

By Variable SUPPORT (Grp 1: High Top Mgmt Support)
 (Grp 2: Low Top Mgmt Support)

Analysis of Variance

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	911.5049	911.5049	4.8298*	.0302
Within Groups	103	19438.7237	188.7255		
Total	104	20350.2286			

Group	Count	Standard Mean	Standard Deviation	Error	95 Pct Conf Int for Mean
Grp 1	57	76.7895	13.8083	1.8290	73.1256 TO 80.4533
Grp 2	48	70.8750	13.6532	1.9707	66.9105 TO 74.8395
Total	105	74.0857	13.9884	1.3651	71.3786 TO 76.7928

GROUP	MINIMUM	MAXIMUM
Grp 1	28.0000	95.0000
Grp 2	30.0000	93.0000
TOTAL	28.0000	95.0000

Levene Test for Homogeneity of Variances

Statistic	df1	df2	2-tail Sig.
.0324	1	103	.857

* F-value significant at p < 0.05

Appendix C-1: Other Pertinent STP Activities Cited By MNC and Domestic Firms.

Sales Training Practices (STP)	MNCs	Domestic Firms
1. Other cited STP Objectives	Self Development Improve Margin Protection Skills Improve Time Mgmt and Selling Skills Rapport Building Penetration of Competitive Accounts Maintain Company Reputation/Image Improve Product and Market Knowledge Improve on Delivery on Time Enhance Business Growth and Direction Enhance Skills to Educate Customer Improve Sales Revenue	Increase Selling Efficiency Generate New Accounts Improve Customer Relations Decrease Overhead Expenditure Enhance Production with Profit Improve Use of Time Improve Basic Selling Skills Improve Basic Marketing Knowledge Improve Networking Improve Customer Service Territory Mgmt Knowledge
2. Other Cited STP Topics	Computer Training Skills Factors To Consistently Making Sales Demonstration Skills Technical Skills Knowledge of After Sales Service Specific Selling Skill Techniques Knowledge to Improve Bad Attitudes Relationship Building	Basic Selling Skills Knowledge on Competitors' Product Computers Application
3. Other Cited STP Methods	Role Play/ Mock Selling Outward Bound Training Two-Way Dialogues Orientation Manuals Field Trips	Case Study Classroom Training/Seminars Outward Bound Training External Courses Peers Critics
4. Other Cited Trainer Types	Independent Vendors/ Dealers General Sales Managers Top Management From Sales Div Immediate Supervisors HR Training Person Product Manager Overseas Production Centers	Counselor Instructors
5. Examples of Joint Efforts Trainers	Overseas Corporate Trainers & Malaysian Trainers Product Managers & Sales Managers Field Sales Managers & HR person Consultant & Training Staff Top Mgmt & Training Staff Top Mgmt & Field Mgmt Branch Manager & Sales GM Sales Manager & Sales Supervisor	Training Center & Local Varsity Training Staff & Outside Consultant Field Mgmt, Top Mgmt, & Consultant HR Manager & Consultant Ads Manager & Training Staff Sales Manager & Consultant

Appendix C-2: Independent T-Test of the Two Groups' Sales Training Objectives

SALES TRAINING OBJECTIVES	Company Types	N	Mean	SD	t-value
1. STOS 4: Specific and Detail	MNC	52	3.8269	0.923	2.04**
	Domestic	53	3.4340	1.047	
2. STOS 5: Measurable and Realistic	MNC	52	3.1731	1.024	2.95*
	Domestic	53	2.5660	1.083	
3. STND 6: STP Objectives Help Formulate Needs Determination	MNC	52	4.1731	0.810	2.09**
	Domestic	53	3.8302	0.871	

*Significant at P < 0.01

** Significant at P < 0.05